THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

May 4, 1940

The 'Red' Rival to the Puppet Regime

By Denzo Hiratake

K.M.T. Versus Communists

EDITORIAL CORRESPONDENCE

U.S. and Far Eastern Shipping

BY JOHN AHLERS

The Northwest Cooperatives

BY RUTH VEY

Will Norway Prove a Second Gallipoli?

An Editorial

VOLUME 92 PRICE 50 CENTS (in China) NUMBER 10

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What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

NETHERLANDS INDIES

To the Editor:

In view of the serious situation prevailing in Netherlands East Indies as a result of a possible invasion by Japan, the N.E.I. authorities, it is believed, have instituted elaborate precautions to prevent any sudden encroachment on their territory. If the fact comes true, there is no question that peace in the Southern Pacific can hardly be preserved. We Chinese, being the most peace-loving people, really cannot keep our eye out of this matter, even though it might have been a rumor. By that, we mean we do not wish to have the aggressive war spread all over the world. So we earnestly hope that the growth of this perilous tendency should be checked in time since the situation is not yet mature.

No doubt it is the responsibility on the part of the democratic powers, especially Great Britain, France and U.S.A., to make joint efforts to prevent aggravation of the situation. It should be noticeably pointed out that the guaranteeing of the integrity of Netherlands East Indies is not only because of upholding peace in the Southern Pacific, but also protecting their own interest there. This, however, can only be accomplished by concrete action, not by mere words. So the safest way to maintain peace in the Southern Pacific is to act while the Allied powers are still quite stronger than the aggressors.

P. H. A.

Shanghai, April 25, 1940

THE PROFITEERS

To the Editor:

Since the beginning of the Sino-Japanese hostilities many opportunists have become millionaires. They take pride in their knowledge of how to exploit every opportunity with vast indifference to public welfare. The majority of them do not understand the ill-consequences of their frenzied money-making. Most profiteers entertain the idea that money is omnipotent. For the present high cost of living they cannot be freed from responsibility. In order to cover their ill-gotten money they sometimes make donations to philanthropic organizations. It is equivalent to a cat's crying over a dead mouse. I have no animosity toward those who give contributions to benevolent institutions if their motives are free from defilement. Dancing halls and pompous restaurants are the rendezvous of opportunists where any kind of business is transacted, with taxi-dancers as go-betweens. These audacious profiteers are but a gang of bloodsuckers, parasites and heartless animals. Without them the morality of society would be much better, the cost of living would not be so high. By utilizing guilds they are able to raise market price with impunity. In fact, these guilds are as immoral as dens of thieves. So it is ridiculous to call the organizers of these guilds the pillars of society. Any merchant who hoards goods with a view to raising the market price deserves public condemnation.

There are many good teachers who, unwilling to sacrifice their reputation and public welfare, are living in a state of profound economic embarassment. Some of them, due to meager salaries inadequate to make both ends meet, are compelled to do something against their will. Some of them become employees of profiteers if the latter offer higher salaries than they are paid in schools. To earn a living is not sinful. To work for the support of one's family is reasonable. But to use indiscriminate methods of gaining money at the price of public welfare must be restrained by lawful punishment. One day when justice becomes omnipotent we shall never see any man with humble character will stand in grand figure of life, and any man with high moral sense will not suffer from economic difficulties.

The most effective method of checking the opportunists' unlawful action is that the price of necessities cannot be regulated by their private guilds which are but the tools of their money-making, and so are unnecessary at the present time when the country is in danger and most of the people are on the verge of starvation. When everything is under reasonable control, what the profiteers have got by means of cornering the market should be confiscated for the public benefit. Good teachers must not change their minds because of temporary poverty, only work hard with stout determination, no doubt, you will reap what you have sowed in the near future.

CHENG CHI-CHUNG

Shanghai, April 25, 1940

CHINA'S PEACE TERMS

To the Editor:

In 1894-95, Japan waged her first war with China. China fought but was defeated. She was forced to sign the Treaty of Shimonoseki with the Island Empire by which China had to recognize the independence of Korea, to cede her precious Formosa and other islands, to pay heavy indemnity, and to grant other concessions to the victor, such as the opening of more ports in the interior for Japanese residence and trade, and the right for the establishment of Japanese factories and mills in the interior of China, subject to no Chinese taxes except the usual customs export duty. Fifteen years later (1910), through the assistance of the Anglo-Japanese Alliance (formed in 1902 and renewed in 1908), Japan was in a position to annex Korea without meeting any opposition from other powers. The Treaty of Shi-

THE CHINA WEEKLY REVIEW

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J. B. POWELL, *Editor and Publisher*

C. FRANK GLASS and HOH CHIH-HSIANG, *Assistant Editors*

F. K. CHAO, *Business Manager* TRYPHON V. KU, *Advertising Manager*

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monoseki marked the rise of the Island Empire.

In 1931, Japan renewed her aggression in China. In the summer of 1937, Japan waged another war with China. She invaded Chinese territories. China resists. The war is now still going on. But in the second treaty of Shimonoseki, China will accept nothing less than respect for her sovereignty, independence and territorial and administrative integrity as provided in the Nine-Power Treaty.

C. Y. W. MENG

Chungking, April 20, 1940

COMPLIMENTARY

To the Editor:

Let me thank you for your enlightening editorials on local affairs as well as on Far Eastern and other issues generally. In lucidity of exposition, faithful representation of facts and fearlessness in upholding truth and justice, I have found no newspaper here, either Chinese or English, that can remotely approach **The China Weekly Review.** While not agreeing with you on every point, I cannot but admire your moral courage, and am glad to take this occasion to inform you that a solid free-thinking, truth-loving reading public is backing you with all their heart.

WANG ZUNG-YEN

Shanghai, Apr. 27, 1940

"DEVOURED"

To the Editor:

The copies of **The China Weekly Review** which a friend in Shanghai has been sending here have been devoured by the patients. We were glad to see that U. S. will not recognize the new Japanese puppet.

JOSEPH P. ROHDE

Veterans' Hospital,
Boise, Idaho, April 6, 1940

NATIONAL CITY BANK OF NEW YORK

Rates of Exchange, Shanghai, May 1, 1940

Demand selling rate on New York: U.S.$1.00—Sh.$16.84

Demand buying rate on New York: U.S.$1.00—Sh.$15.09

Demand selling rate on London: £1.0.0—Sh.$58.62

Demand buying rate on London: £1.0.0—Sh.$57.74

AMERICAN STOCK AND COMMODITY QUOTATIONS

May 1, 1940

STOCKS

Amer. Locomotive	19⅛
Amer. Waterworks	9⅞
Anaconda Copper	29⅛
Bethlehem Steel	82
Chrysler	84¾
Elec. Bond & Sh.	6⅞
Gen. Motors	53½
Goodyear T. & R.	21
Gt. Nthrn. Rly., pfd.	26⅜
Lockheed Aircraft	37⅛
Mont. Ward	48
N. Y. Central	15½
Texas Corp	46⅜
U. S. Steel	59⅛

COMMODITIES

New York Cotton, May	10.81/81
New York Rubber, July	18.66/66
New York Hides, June	13.52/52
Chicago Wheat, July	104⅛/104¼
Chicago Corn, Sept.	65/65⅛
New York Sugar, No. 4, Sept.	1.49½B/50½A

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GANGSTER MURDERS, BADLANDS GAMBLERS AND SLOT-MACHINE RACKETEERS

Aside from the usual run of embezzlement cases resulting from visits to local gambling resorts by clerks and other employees of Shanghai banks and business houses, the week's news record included two of the most contemptible crimes perpetrated since the creation of the "New Order" in this section of China.

An account of these latest developments in the realm of Shanghai's political underworld appears elsewhere in this issue, but the crimes, involving the murder of a defenseless foreigner, the shooting of a policeman and the killing and wounding of innocent pedestrians, differ only in detail from other happenings of this character since the coming of the Japanese to these shores and the inauguration of a curious type of political activity which has been described as the "breeding of puppets."

The nursery where this enterprise is nurtured is the "badlands" area, embracing a residential sub-division, which, prior to the Japanese invasion, was regarded as the most desirable section of the city in which to live. Today it is the hang-out of gamblers, operators of opium-smoking and heroin-dispensing joints and is haunted by the most desperate of criminals. Never—with the possible exception of the period of the Taiping Rebellion, 1851-1865—has Shanghai been afflicted by such a pest.

Recently when the former chairman of the Municipal Council of the Settlement, C. S. Franklin, negotiated a deal with the puppet Mayor of Shanghai, Fu Siao-en, whereby foreign control over the so-called Outside Roads area was surrendered to the Sino-Japanese authorities, it was announced that the Badlands would be cleaned up. Major-General Yoshiharu Takeshita, former chief of the Japanese Army Special Service Section, announced at a press conference that all gambling and opium-smoking joints would be closed "by the end of March," which date marked that officer's transfer from the bright lights (and red lights) of Shanghai to the semi-arid wastes of Inner Mongolia.

When the end of March arrived there was a commotion in the Badlands area one night, caused, according to report, by the withdrawal of Japanese protection which previously had been accorded to these illegal institutions. Just what interest succeeded to the authority relinquished by the Army's Special Service Section was never announced, but one of the local papers reported that there was a fight over gambling and opium "squeeze" by armed adherents of Wang Ching-wei, and Fu Siao-en. As a result of this clash, the Japanese allegedly returned and the closure order was rescinded, or postponed. All of the joints are still operating and at least one elaborate new place, known as the China Club (Bubbling Well Road) has been opened.

After the transfer of Major-General Takeshita, whose activities had aroused the displeasure (or envy) of certain members of the Tokyo General Staff, a new chief of the Army Special Service Section, Major-General Masami Maeda, was sent to Shanghai and recently assumed office. Whether the new controller of the SSS intends to carry out the "clean-up" orders, allegedly issued in Tokyo more than a month ago, remains to be seen. In some quarters it was stated that the Japanese had merely "washed their hands of the business."

New Boss of the Badlands

Press Union Photo

Major-General Masami Maeda, new chief of the Special Service Section of the Japanese Army in Shanghai.

STIGMA OF "DIME-EATING TIGERS" RESTS ON THE FOREIGNERS

The blame for introducing commercialized gambling, opium-smoking and the heroin traffic in areas adjacent to the International Settlement and French Concession rests with the Japanese military authorities and their Chinese puppets. Prior to the Japanese invasion there was no gambling and the opium traffic had been reduced to a minimum. As for the heroin dealers they were being executed as fast as their cases could be disposed of in the local Chinese courts.

But the foreign authorities here have no grounds for adopting a "holier than thou" attitude because they have been permitting, for many months, an evil which in many respects is as serious as the gambling joints in territory controlled by the Japanese Army. We refer to the slot-machine racket which operates under official license in the French Concession and in the Outside Roads area and to a limited extent in the International Settlement.

Slot-machines, popularly known as "one-arm bandits" or "dime-eating tigers," to use the Chinese term, have been operated in and about Shanghai for many years, but it has only been in recent years that the business has assumed racketeering proportions. Twenty years ago there was one lone slot-machine in Shanghai. It was a dilapidated affair built on the order of a grand piano and stood in the bar of the equally ancient Woosung Hotel, operated by a retired British sea captain.

That was before the advent of E. T. "Jackpot" Riley, who was born and grew up in Denver, and came to Shanghai in the uniform of one of the American military services. After completing his term of enlistment, Riley began importing slot-machines from a Chicago concern which is said to have amassed US$50,000,000 in the manufacture of these gambling devices. How he manages to get them past the Chinese customs, which bars their import, has always been a mystery. But he has managed it quite well for there are now said to be some 600 of these gambling devices in the French Concession and International Settlement and environs. "Jackpot" Riley is said to operate some 50 of these machines directly in the French Concession and an unstated number in the Settlement and Outside Roads areas. Those in the Settlement, owing to official prohibition, are operated in clubs and so-called clubs, the chief one being a luxurious club operated by servicemen on Bubbling Well Road. The remainder of the 600 machines have been sold outright, or leased to bars and cabarets, which keep the entire intake of the mechanical "bandits."

The proposal, by an obscure Russian lawyer named N. M. Shoolingin to introduce slot-machines into the International Settlement as a means of financing the municipal deficit, would, if agreed to by the authorities, result in the probable doubling of the number of "bandits" already engaged in absorbing the "small money" of the community.

In an account of the slot-machine racket which appeared in last week's issue of *The China Weekly Review*, it was stated that "Jackpot" Riley's intake amounted to a net $12,000 a month or $150,000 a year. It appears that this was a serious understatement of Mr. Riley's capabilities as his income is estimated by his friends at well over $40,000 a month or $500,000 a year from the operation of the "bandits" under his direct control, while he derives a considerable additional income from the sale of the devices. Slot-machines average in cost about US$150 each.

With the profits derived from the operation and sale of the "dime-eating tigers" Mr. Riley has branched into other and more elaborate forms of gambling, hence is on the road to vast wealth—unless something happens—as it often does to those engaged in these enterprises. About a year ago Riley purchased for US$10,000, a chain of Russian restaurants known as "D.D's," the chief one being located on Avenue Joffre in the French Concession. His object in purchasing this restaurant and night club was to use it as a place for his slot-machines, some half-dozen of which are in constant operation from early in the morning until late the following morning, otherwise, nearly the full 24 hours.

Recently, Riley extended his gambling activities from the lowly one-arm bandits to the heights of roulette, chemin de fer and big time crap games through the purchase of Farrens, a night-club and "hot" spot on Great Western Road extension, only a short distance from the American Columbia Country Club. Farrens was started by Joe Farren, a Hungarian, who quickly amassed a fortune and sold out—to "Jackpot" Riley. The "big-time" gambling is operated on the three upper floors, the ground floor being reserved for dancing and a bar and the ubiquitous slot-machines.

The total number of slot-machines operating in the French Concession, according to Carroll Alcott's column in *The China Press*, is 350 from which the French authorities derive an annual revenue of about $250,000. Licenses are issued at the rate of $350 per machine for six months. Riley is said to derive a monthly income of $250 from each machine under his control. Thus the Shanghai public which puts its small money into these "bandits" is relieved, in Frenchtown alone, of about $2,000,000 annually. When the gross incomes of all of the 600-odd machines in the Shanghai district are taken into consideration, the enterprise takes on the character of "big business," but large though it is, the income of the one-arm bandits is still far below that of the big-time gambling resorts in the Badlands area. The big "Hollywood" gambling and opium-smoking joint is said to have netted $11,000,000 last year, from which handsome profit numerous other establishments were financed. It was the profits of Hollywood which enabled Joe Farren to convert his night-club into a gambling resort for foreigners and wealthy Chinese, the enterprise at first being a 50-50 affair, with a Belgian operator "guaranteeing" the accounts of the foreigners.

Between the big-time resorts on the Outside Roads and the "dime-eating tigers" in the foreign-administered areas the average Shanghailander hasn't much chance. The significant element is that the city, almost overnight, has been converted into one of the largest gambling resorts in the world, and strangest of all, the development has come about without protest on the part of that section of the community—the so-called religious element—which in the past usually raised a furore about these things. So far as we are aware, no Shanghai preacher of any denomination—and Shanghai has more than the usual quota of preachers—has raised a voice of protest from pulpit or radio against this evil which is sapping the financial strength and degrading the morals of the Sino-foreign community.

Starr, Sassoon Believe U.S. Will Resist Any N.E.I. Grab

Identical views of the attitude of the Washington government as regards the Netherlands East Indies were expressed this week by two prominent Shanghai businessmen, who returned here from the United States on the American President liner, s.s. President Coolidge. Both were of the opinion that the United States would resist, if necessary with force, any attempt by Japan to seize control of Holland's possessions in the Far East.

Mr. C. V. Starr, who controls the *Shanghai Evening Post & Mercury* and several other local American enterprises, opined that the United States would "undoubtedly resist" any Japanese thrust at the N.E.I. "even if it involves eventual naval action." Sir Victor Sassoon, millionaire British taipan, believes that so long as Japan thinks America will avoid war at any cost, there will be a danger of her "overstepping some limit, like seizing the N.E.I." in which event the United States "will undoubtedly take action."

The American taipan went on to state that in the United States there is a considerable body of opinion that the country will enter the European war within a year. Mr. Starr's own opinion was that if the Allies appeared to be losing the war, "America will come in just as she did in 1918." Sir Victor Sassoon said substantially the same thing.

If there were war between Japan and the United States, the former, in Sir Victor's opinion, would be wholly to blame and she would be committing "national suicide." The only country to profit from such a war would be Soviet Russia, who would use German technicians to start a submarine campaign against Japan from Vladivostok and generally improve her position along the Pacific coast. "This would be bad for us all," he declared.

Regarding the Sino-Japanese war, Sir Victor reiterated the remarks which he made in New York recently, and which aroused considerable resentment in Japan. It was daily becoming more imperative for Japan to make peace with China, and this peace must leave China free and independent, he asserted, adding the view that Japan is willing to give China such a peace if she can retire from the conflict with her "face" saved."

"Whether this peace is concluded with the Chiang Kai-shek government or with the Wang Ching-wei government does not matter," he continued. "It must be with a government that has the support of the Chinese people, for China has awakened as a nation. Only if China is left really free to govern herself will there be any possibility of stopping civil war if Japanese troops withdraw."

European War Offers Golden Opportunity to American Shipping in the Far East

BY JOHN AHLERS

WILL the United States mercantile marine now step into Far Eastern shipping on a large scale and occupy the place vacated out here by shipping under European flags? More American shipping in Far Eastern waters is a necessity recognized as extremely urgent by all American business communities established along the eastern edge of Asia. It is understood that, for instance, the local American Chamber of Commerce energetically urged the U.S. Shipping Board to provide more bottom space under the Stars and Stripes. The Chamber emphasized, in particular, the inadvisability of selling old American ships to other nations before new vessels now under construction are ready for full-fledged service. The Chamber strongly recommended the eventual refitting, for temporary service, of laid-up seaworthy vessels.

The response obtained is not encouraging for the immediate future, although from next fall offerings of American bottom space in East Asia will improve. In September next, the first of the new modern cargo steamers built under the U.S. Maritime Commission's auspices will be put on the Far Eastern run, and will call at Shanghai. Others will follow rapidly. The United States of all countries at present has under well-advanced construction by far the largest volumne of new shipbuilding. The beginning of the current year saw under construction in U.S.A. 222 ships of 1,157,365 tons. J. Lewis Luckenbach, president of the American Bureau of Shipping, predicted the completion during this year of at least 52 new sea-going American ships totalling 470,500 tons. Recent U.S. shipbuilding had an unexpected stroke of luck when the European war brought about constantly increasing shortage and expensiveness of cargo space. U.S.A. is heading into the biggest shipping boom of the past two decades with the largest new fleet under construction, and most of the old arguments against large-scale American shipbuilding suddenly hold good no longer.

For the coming summer months, however, the China ports hardly can expect the call of many more American vessels than are coming out here at the present time. More U.S. vessels than ever, it is true, are now plying the Pacific, but there is a severe shipping shortage still to be overcome on the American West Coast. The lumber trade of Oregon and Washington is suffering from that shortage, which is especially severe upon the harbor of Portland where lack of sufficient cargo space has become a great handicap to business in general. Naturally, Uncle Sam will have to care for home ports first. Next comes direct shipping from U.S.A. to the countries surrounding the Sunda Straits, recently reinforced with four 8,400-ton freighters chartered by the President Lines from the Baltimore Mail Line. Then comes the route to China and Japan.

Shipping was the first branch of Far Eastern economy to feel the impact of the European war. Cargo space out here became scarce and expensive. Its extraordinary cost prevents the transaction by Far Eastern countries of an increasing volume of trade that would be possible if freight rates and marine insurance premiums were lower. The German invasion of Scandinavia further increased the scarcity and expensiveness of shipping in the Far East. Shipping under the Danish flag, which ranked eighth in the foreign shipping of the China coast, was intercepted by the British authorities, who temporarily treat Denmark as an enemy country. The Maersk Line thus was paralyzed. Norwegian vessels plying East Asiatic waters were all directed to Hongkong; though released again towards the end of last month, they now sail under control of a newly-established Norwegian Shipping Trade Mission in London and may be called off at any time for auxiliary war and supply services.

The British Ministry of Shipping, confronted with sharply increased requirements for bottom space as a result of the Scandinavian fight, felt compelled to lay under requisition the bulk of the fleets of the two leading Far Eastern British shipping firms, the Indo-China Steam Navigation Co. (Jardine, Matheson & Co.) and the

Bent on Doing a Thorough Job

The Chicago Tribune

China Navigation Co. (Butterfield & Swire). Though for the time being these two firms' vessels will continue to operate on their normal routes and trades, they now are run under time charter of the British Government and may be sent elsewhere whenever deemed necessary. Already, the British authorities have requisitioned from Shanghai eight ships for service in distant waters, viz, two small vessels of the Indo-China Navigation Company; three vessels of Mollers' Limited, as well as two tugs and a salvage boat of Wheelock's Shanghai Tug & Lighter Company.

Yet heavier losses were suffered by British Far Eastern shipping through the withdrawal from routes east of Singapore of a series of large British passenger vessels immediately following the outbreak of war in Europe. One of these liners in the meantime has been sunk in the Atlantic. Another British vessel was withdrawn from the Tientsin route to be placed on a new line between Hongkong and the Solomon Islands, formerly served by a German vessel. All of this combined to reduce most severely British shipping in the China ports. This reduction is the outstanding development in the past fifteen months of Far Eastern shipping activities. In the first three months of last year, British ships entering from and cleared for abroad in the China ports totalled 2,344,767 tons, whereas the first quarter of the current year saw a decline of this figure to 1,161,288 tons. British China shipping has been literally cut in half, and the Union Jack has lost its former leading position in this field.

The immediate heirs of the British are the Japanese. The volume of shipping under the Rising Sun flag in the China ports last spring, for the first time, surpassed that under the Union Jack, and last fall the Nipponese also got the leading shipping position in Shanghai, where the British managed to hold out longest. The first quarter of this year saw 3,103,000 tons of Japanese vessels enter and leave the China ports in communication with abroad, as compared with 2,526,387 tons in the corresponding period of the previous year; while the British, during the periods under review, in the China ports, lost 1,000,000 tons of maritime traffic, the Nipponese won 600,000 tons and from a position but slightly ahead of the British advanced to a share in the China shipping almost three times as large as the British share.

The Japanese, however, are in a by no means enviable shipping position. There still is over 1,000,000 tons of Nipponese vessels employed under Japanese military requisition along the China coast, on the Yangtsze River, and in supply shipping from Japan proper to the Asia Continent. A year ago, this figure was some 600,000 tons higher. The release from military employment of these 600,000 tons of bottom space enabled the Nipponese to extend their China shipping and to occupy much of the place vacated by the British. However, Japan urgently needs for commercial shipping another 500,000 tons of cargo space, according to recent estimates by Tokyo shipping authorities. When last winter the Japanese Navy requisitioned mercantile vessels for the Yamchow-Nanning expedition, almost 200,000 tons of freight bottoms had to be newly chartered to replace the requisitioned vessels. Of these chartered bottoms, some 100,000 tons are Norwegian and Danish vessels. The Nipponese at present refuse to release these ships from charter and have started negotiations in this matter with Great Britain.

Half of the non-requisitioned tonnage of Dai Nippon's mercantile marine today is employed in East Asiatic waters. Tokyo, during the first quarter of this year, made strong efforts to increase Japanese far-sea shipping, but the shipping scarcity which followed the outbreak of the Scandinavian fight compelled Japan again to withdraw bottom space from the trans-Pacific and Atlantic lines. Shipbuilding yards in Japan have under contract for new construction over 1,200,000 tons of vessels, but under actual construction are less than 400,000 tons. The materialization of the Japanese Government's plan to increase the Nipponese mercantile marine to 7,200,000 tons by 1942 appears to be impossible. Shipbuilding in Japan suffers from a severe lack of shipbuilding materials, which also delays the repair of damaged ships. The tonnage of ships under repair in Japanese shipyards doubled during the past four months, and complaints about sailings of unfit vessels from Japanese ports have increased.

The successor to the position vacated in the Far East by British shipping is likely to become, in the long run, not Dai Nippon but the United States. American shipping out here has strongly increased as compared with a year ago. Then, there were only two American lines calling at Shanghai, viz. the President Lines and the Pioneer Line. Now there are four. The Puget Sound Orient Mail Line and the Lykes Brothers are the two newcomers. Shipping between U.S.A. and China also is the major line of business of the Philippine De la Rama Steamship Co. American tramps, on the other hand, as yet have not put in a more frequent appearance on the China coast.

The recent advance of American shipping in the China ports, though not yet very spectacular in terms of tonnage, is considerable as expressed in percentages. Ships under the Stars and Stripes during the first quarter of last year shared with little more than two per cent in the China ports' foreign shipping, but in January-March of this year the share rose to over five per cent. The tonnage of American ships entering from and cleared for abroad in Chinese ports during the periods under review more than doubled from 150,000 to 314,000 tons, and U.S. shipping now ranks third in China, surpassed by Japanese and British shipping only. The fall of the current year should see another sharp advance of American shipping in the China ports, and that advance ought to bring some relief to the general freight and shipping situation out here.

Some Random Notes on the "Holy War" and the "New Order"

In the interest of simplification, the Mitsui shipping department has applied for official permission to change the names of several of its vessels. For example, the Hakuyomaru is to be changed to the Kumagawamaru; the Enyomaru to the Mogamigawamaru; the Uyomaru to the Shinanogawamaru—*Kokumin* report.

⁂

According to the *Asahi* a recently published cartoon in Japan depicting the late Ambassador Hiroshi Saito and President Franklin D. Roosevelt engaged in a friendly game of golf, is to be enlarged and sent to a certain first rate golf club in New York, with an inscription inquiring. "If such good atmosphere as manifested in the cartoon cannot be induced to prevail between Japan and America?"

⁂

The *Hochi*, leading Tokyo daily, published an article about the American naval maneuvers and defense program in the Pacific under the heading, "The American Navy is Utterly Foolish." On the preceding day (April 20) the *Asahi Shimbun*, in the course of an editorial dealing with the declaration of the Netherlands Government that it would not permit any country to assume a protectorate over the East Indies, said, "It is unseemly on the part of the United States to make so much fuss . . . Calm down, calm down!"

Kukuichi Morita, member of the so-called Kuhara faction of the Seiyukai party, insists that sake, the national rice-wine drink in Japan, has not been diluted as a result of wartime economy. Mr. Morita was quoted in the *Miyako*, "It is the water which has been diluted by the addition of sake. To impose a tax of Y3 on such stuff is just like taxing water."

⁂

The *Osaka Mainichi*, referring to the current American naval maneuvers and the naval expansion proposals in Congress said, "What is called American Far Eastern policy is a chronic disease . . America being a 'hopeless case' cannot be avoided today, however hard Japan tries to gain her understanding . . Japan's policy toward America must be the unstinted support of the new government in China and the active execution of the creation of the New Order in East Asia . . There remain only object lessons for a 'hopeless case.' When the New Order in East Asia is established and the just and equitable aims of Japan become clear, the United States may realize on her own accord that she has failed to understand the true situation. In this event the waves of the Pacific may by themselves turn really pacific."

⁂

"The New order" is only "makeshift order" so long as it is confined to Japan, China and Manchukuo," according to Shoichi Miyake, member of the Social Masses party in Japan. In a recent interview in the *Miyako Shimbun* he declared that the new order, if confined to Japan, China and Manchukuo, would not provide Japan with self-sufficiency in rubber, oil and tin. Japan should therefore revise her program to include "the whole of East Asia, and not merely Japan, China and Manchukuo," he stated.

⁂

Japan has not yet reached the dictatorship status as exemplified by Stalin, Hitler or Mussolini, but a recent review of the activities of the Diet indicated that the Japanese have a potential candidate in the person of Major-General Muto, director of the Military Affairs Bureau of the War Office. A report in one of the Tokyo papers said that Major-General Muto "busied himself in the Diet by taking down memoranda, after glaring at the interpellator . . Major-General Muto was all eyes and whenever War Minister Hata was being questioned, the slightest jeering on the part of the members would produce a heavy look from him, which usually was sufficient to freeze the member into silence. He would then make a record of that too in his notebook."

⁂

Peter Fleming, British author and traveller, reported killed by German airbombs in Norway, was well-known in China where he represented the *London Times* and wrote the popular book, "News From Tartary," and other works. Christopher Chancellor, former manager of *Reuters* in the Far East, told the following story about Mr. Fleming in the course of a recent address at Chatham House, London:

"Mr. Peter Fleming of *The Times* went to the War Office in Tokyo to see a certain General. As soon as he got there the General began violently attacking 'those third Powers' for helping Chiang Kai-shek by supplying arms to Chungking. Mr. Fleming at once replied, 'yes, of course, General, you mean the Germans and the Italians.' The General, nettled, said: 'No; I mean Great Britain.' Whereupon Mr. Fleming said: 'But do you realize, General, that Germany and Italy are supplying enormously more arms to China than we are?' The General replied: 'Yes, I know that; but that is not the point; the point is the spirit in which the arms are supplied.' Mr. Fleming then said: 'I now understand what you mean, General. Japan prefers to see a large quantity of arms going to China in the right spirit rather than a few arms going in the wrong spirit.' And the General said: 'That is exactly what I mean'."

Japanese Aggression Even Changed Course of Far Eastern Weather

The thick volume containing the minutes of the Washington Conference (1921-1922) includes a reference to the weather in the Far East which has turned out to be prophetic. The Japanese then opposed the demand of the American authorities for the right to maintain a cable station on Yap island, one of the Caroline group mandated to Japan. Yap island, located to the southwest of Guam, is the junction point where the cable from Japan joins the Commercial Pacific Cable which connects Shanghai with the Philippines and San Francisco.

A member of the American delegation, who had resided in the Philippines, pointed out that most of the typhoons which harass the Philippines originate in the Caroline Islands in the vicinity of Yap, hence the American authorities were entitled to maintain a representative there for the purpose of reporting weather conditions. It was asserted that the Japanese could not be trusted to report weather conditions impartially: that they would warn their own shipping about the approach of typhoons, but would not inform ships of other nationalities. The Americans ultimately won out and were accorded the right to maintain observers on Yap.

A situation somewhat resembling that feared by the American delegate from the Philippines has resulted from Japanese military activities along the China coast and islands, previously controlled by China. The Chinese Government previously maintained an excellent weather reporting service along the coast and on the more important islands under its control in the Yellow, Eastern and South China seas. Customs officers, keepers of lighthouses and captains of Customs lightship service boats and cruisers maintained close check on the weather and made regular reports to the authorities of the Siccawei Observatory at Shanghai who printed weather maps and broadcast the information for the benefit of shipmasters and the public generally. These reports were recognized over the world for their accuracy.

But this accuracy no longer prevails because the Japanese have quite generally destroyed or disrupted the Chinese weather-reporting service, previously located along the coast and on coastal islands, and have created nothing to take its place. Any weather reporting which the Japanese may do apparently is for the exclusive service of the Japanese as they allegedly do not cooperate with the Siccawei Observatory.

Father E. Gherzi, Director of Meteorology and Seismology at the Siccawei Observatory, in a recent address before the Shanghai Rotary Club, made no mention of Japanese interference with Far Eastern weather. He said, however, that the weather of China was governed by four air masses. The first was the Siberian or cold, dry air mass, which moved south-east over China from Siberia and Mongolia. The second was the tropical or damp and warm air mass which moved north-east over China from India, Malaya and Indo-China, while the third was the air mass over the Pacific Ocean which moves westward bringing cool winds, occasional dampness and typhoons. The fourth and last air mass was the Australian one, moving north from Australia and bringing dampness. It was also known as the south-western monsoon.

These are the four air masses which command all the air currents in China. The tropical air current was a low pressure mass, while the Siberian mass was a high pressure area continually struggling with the tropical warm mass and pushing it southwards. When they came into contact, the cold northern air current would force the tropical mass upwards because it was warm.

The speaker then told of the condensation line, which is an imaginary line, about 200 miles wide, where the cold air mass on the northern side and the warm tropic mass on the southern side meet. The line lies approximately north-east across China. In winter, the line is south of China, and in summer it is over Peking and North China, bringing thundery weather.

In April, May and June the line is over the Yangtsze River bringing rain. If it remained over the Yangtze during July it brought floods. Also if it remained over the Yellow River too long, the River would overflow. The importance of weather-forecasting could, therefore, be judged, the Father said, because if warning could be given in time, dykes could be raised and precautions taken against floods.

Typhoons, Father Gherzi said, were caused when hot air rushed upwards through a gap in the clouds after being bottled up below them. Huge cumulus clouds kept the warm air bottled up, and when a break occurred, the warm air rushed upwards through the gap like champagne shooting out of a bottle. Then it condensed and brought rain.

He said that typhoons always moved in a circular motion; thus, if they started east of the Philippines, they moved west-north-west then north-west and finally northwards. He illustrated this with a typhoon which was coming straight for Shanghai last July. The typhoon warning was put up and the city waited for the storm. At the last moment, however, the Siccawei Observatory officials noticed the isobar recede seawards, so they knew the typhoon would change its direction from west-north-west to northwest, and thus miss Shanghai. It did this and, instead of passing over this city, hit Tsingtao.

The Kuomintang Case Against the Communists

Editorial Correspondence

IF any one condition could be named for the successful prosecution of China's war of resistance against Japan, it would be national unity. It is the united front which has enabled China to prolong the resistance so far. And united struggle will and must continue to be the basis of China's future resistance and the sole hope of her anticipated final victory.

With her army poorly equipped and inadequately trained, China has derived her strength chiefly from the solidarity of will manifested in the unanimous support of the resistance policy by all parties in the country. National unity, therefore, is most vital to China in her present crisis and should be preserved at all costs.

Recent reports of increasing Kuomintang-Communist friction, threatening a disruption of the united front, make very painful reading to well-wishers of China. There have been mutual accusations. The Kuomintang charges the Communists with engaging in illegal activities, murdering Kuomintang officials and attacking Central Government troops, while the Communists accuse the Kuomintang of dominating the government and Kuomintang members in various parts of the country of fomenting friction between the two parties. Unfair treatment is also alleged.

In view of their past history, written in a ten-year bloody civil war, difficulties between the two parties are only to be expected. But now, with the country facing an unprecedented crisis which threatens to destroy its existence as an independent nation, they should sink their partisan differences momentarily and devote themselves wholeheartedly to the common struggle against a relentless enemy. Shortly after the start of the war, high hopes were held in China and abroad for the formation of an enduring united front and an impression was created that it was becoming a reality. But now, with the steady worsening of relations between the Kuomintang and the Communists, the united front appears to be dangerously threatened.

It would be unfortunate if the present friction between the Kuomintang and Communist Party should develop into an open split. Nothing could more pain China's well-wishers and exhilarate the Japanese and their puppets than such an eventuality. While a disruption of the Kuomintang-Communist united front would not necessarily mean the collapse of China's resistance against Japan, it must be admitted that it would seriously affect the effectiveness of future resistance.

Moreover, the Japanese have been spreading rumors for a considerable time on the extremely strained relations between the Kuomintang and the Communist Party and the imminence of an open break. If such a break should occur, both parties will play into the hands of their common enemy. If the leaders of the two parties really have the welfare of their country at heart, it is imperative that they should liquidate their differences at once and unite heart and soul for the supreme task of expelling the enemy.

A report was recently submitted by the Chinese military headquarters at Tiensui in Kansu, southeast of Lanchow, to the High Command in Chungking, which purports to give a record of facts concerning the illegal activities of the Communists and the effect of such activities on the war of resistance.

The report started with a brief review of Kuomintang-Communist relations since the outbreak of the war. Then it cited specific instances in which the Communists allegedly have taken advantage of the present crisis for selfish ends.

At the outset, the report emphasized that the prosecution of China's war of resistance so far is the result of sacrifices by the entire nation and should not be attributed to the merit of any single unit, division, or army, because every Chinese has in one way or another contributed to the cause of national salvation. Those who are endeavoring to seek selfish gains out of the nation's woe and are violating the government's orders to the detriment of national interests should be condemned by the whole nation and are bound to perish in the long run, the report said.

Since Gen. Chu Teh's assumption of office as Commander-in-Chief of the 8th Route Army, the report stated, the Communist Party has appropriated all the military funds from the Government for the purpose of propagandizing Communism in defiance of Government orders. Under the pretext of unfair treatment accorded them by the Central Government, the Communists have expanded their army without restriction. In order to support a vast private army, they have imposed taxes upon the people and have issued banknotes of their own.

Candle Nearly Burned Out

Chungking cartoon shows Tokyo Finance Minister, Yukio Sakurauchi, holding a candle representing the Imperial Treasury, with the flame reaching the bottom.

Continuing, the report said that whenever the Communists are discovered committing any wrong, they always shift the blame to the people as well as the Kuomintang, accusing the latter of being a "manufacturer" of friction. The different units of the 8th Route Army, such as Ho Lung's and Liu Po-cheng's in Hopei and Chahar, Hsu Hsiang-chien's in Kiangsu and Shantung, and the New Fourth Army and their units in Anhwei and Hupeh, have committed all sorts of outrages. They have arrested and executed Kuomintang officials and members, disarmed the local militia corps, attacked and disarmed Government troops when the latter were exhausted after engaging the enemy.

Further, they have conscripted able-bodied youths in various districts under their control by compulsion, requisioned food supplies from the people by force, interfered with the exercise of judicial functions by Government-appointed officials, and appointed their own officials without authorization from the Government.

These, however, do not exhaust the list of the Com-

munist outrages. They are also alleged to have tortured the innocent and kidnapped civilians and merchants for ransom. They have issued their banknotes at random, forbidden the circulation of legal tender, and even monopolized the smuggling of Japanese goods to the benefit of the enemy. They helped a mutinous unit in Shansi to turn against the Government forces. They set up special stations in various localities for the purpose of spreading propaganda with the object of causing dissension between the people and the army, thereby undermining their cooperation.

Last autumn, the Communist authorities provoked armed clashes of their troops with Government forces, resulting in the Lungtung Incident. Hence, 1,800 Kuomintang members, headed by Lai Hwei-huang, an official of the Chenyuan City Government, issued a circular telegram last January, accusing members of the Communist Party and the 385th Brigade of the 8th Route Army of disrupting the administrative system and provoking armed conflicts with Government troops. This is only one of the numerous examples illustrating the outrages of the Communists, the report states.

Undoubtedly, the report continued, the unlawful activities of the Communists have had an exceedingly unfavorable effect on the war of resistance. Last winter, the Chinese military authorities ordered a general offensive against the Japanese on various fronts, which was successful on all except the northern front. Owing to the renewal of controversies arising from the frequent attacks made by the Communist troops on Government forces, the offensive in North China was greatly handicapped and failed to yield the anticipated results. Consequently, the enemy was enabled to transfer part of its army for other purposes. It is understood that the 5th Division of the enemy troops which participated in the Nanning campaign was transferred from Shantung. Meanwhile, the 108th and 109th divisions of the enemy forces in Shansi were sent back to Japan for rest and reorganization.

While our holy war of resistance against the invaders is soon to enter its fourth year, the report further stated, and the invaders are sinking deeper and deeper into the mire of China, only with close internal cooperation can we successfully promote the cause of national salvation. Only by eliminating all internal friction, can we succeed in repulsing the invaders. Under the principle of concentration of our entire national strength for the prosecution of the war, we can never tolerate any acts by any partisan group or party which jeopardize unity and hinder the resistance campaign. In order to enable the nation to understand the actual situation regarding the Communist Party and to refute the extravagant claims made by the Communists regarding their successes, the report said, we would like to present to the public a summary of facts gathered from reports from various quarters with regard to the unlawful acts perpetrated by the Communists and their effect on the war of resistance.

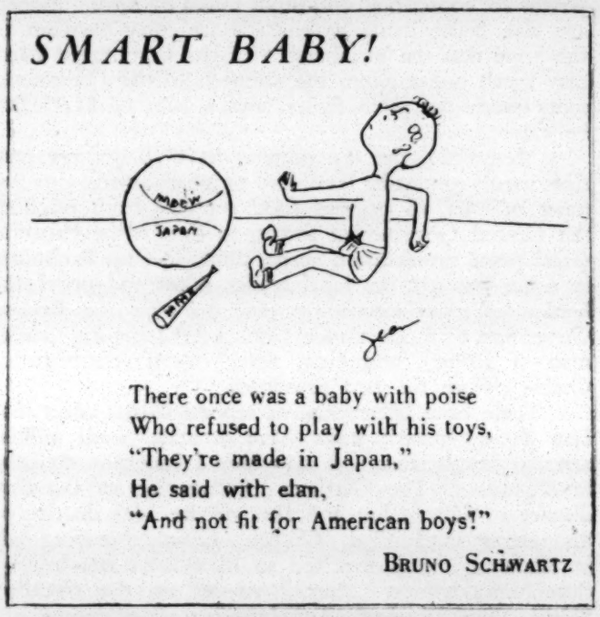
I. The so-called Shensi-Kansu-Ninghsia Frontier Region.

Prior to 1937, the Communists occupied only part of northern Shensi. Since the outbreak of the war they have greatly expanded their territory and taken over control of a vast area along the Shensi-Kansu-Ninghsia border. They have arbitrarily demarcated the various *hsien* of northern Shensi, as well as Lungtung, as frontier districts.

According to the original plan drawn up by the Central Government, these districts were to have been placed under the administration of special supervisory officials. The area of these districts was to have been so altered as to adjust them to the needs of administration, communication and economic development. Administrative officials for these districts were to be recommended by the Communist Party but subject to the supervision and order of the Shensi Provincial Government.

This scheme should have been considered satisfactory by the Communists, as it aimed merely at maintaining the integrity of the administrative system of the Central Government. Yet, the Communists rejected it. Claiming that the "frontier districts have been set up with Gen. Chiang Kai-shek's tacit approval," they blamed the Central Government for assuming control over the 18 *hsien* in northern Shensi.

On the ground of this contention, they have set up an independent government in these districts. Ever since, they have not carried out the orders of the Central Government. Magistrates of the districts, appointed by the Shensi Provincial Government, have been prevented from assuming office or from exercising their authority. Meantime, the Communist authorities effected


SMART BABY!
MADE IN JAPAN
There once was a baby with poise
Who refused to play with his toys,
"They're made in Japan,"
He said with elan,
"And not fit for American boys!"
BRUNO SCHWARTZ

Poster used in "Boycott Japan" campaign in the United States. From The Chinese Student, N. Y.

an unauthorized re-demarcation of the borders of the districts in their areas and appointed their own officials.

In addition to issuing banknotes of their own, they have levied numerous kinds of taxes and rents from the people, such as "national salvation tax," "rich families tax," "capitation tax," "land tax," "salt tax," "anti-Japanese tax," "condolence tax," "trade tax," "anti-opium tax," etc. People were frequently executed upon the charge of being "traitors," "Trotskyist bandits," or "agents of the Wang Ching-wei clique."

People of Shensi and Kansu once dispatched special representatives to Chungking, reporting their distress under Communist rule and petitioning the central authorities to abolish the "Special Border Government." The Central Government was blamed for its toleration of the Communists.

On the other hand, still discontented with what they have obtained, the Communists recently transferred their troops to northern Shensi and Lungtung, where there is not a single Japanese invader, in order to strengthen their hold on these districts.

II. Disruption of the Government Administrative System by the Communists.

Not only in the Shensi-Kansu-Ninghsia border region but also in Hopei, Chahar, Shantung and Kiangsu, the Communists have at all times endeavored to overthrow the central authority by force. In order to seize political power in Hopei, they set up the so-called "Sou-

thern Hopei Administrative Directorate" in August, 1938 with two Communists, Yang Shiu-feng and Sung Chao-wen, as director and deputy-director. Later, a "Central Hopei Administrative Directorate" was created, headed by Lu Cheng-chao and Li Keng-tao, respectively.

Administrative districts in northern and central Hopei were re-demarcated and Communist officials appointed without authorization by the Central Government. Their independent system of administration also is not subject to the control of the Hopei Provincial Government.

Under the protection of the 18th Group Army, (which is the new name for the 8th Route Army after its expansion), the so-called "Shensi-Hopei-Chahar Border Government" has assumed authority over this area and ignored the orders of the Central Government. Under the guise of popular election, they have appointed local ruffians as leaders of villages, through whom able-bodied youths are conscripted and funds raised by force. Efforts are also being made to enlist more party members in the hope that the membership of the Communist Party may reach one million, the strength of the Communist army reach the same figure, and a sum of $1,000,000 be raised.

Meanwhile, the Communists have tried every possible means to murder Kuomintang members and government officials, to prevent food supplies from reaching the Central Government forces, to disarm the Paoantui (local peace preservation corps) units, to issue banknotes in order to oust the legal tender notes and provincial banknotes from circulation, and to oust the Central Government troops under Gen. Lu Chung-lin, (chairman of Hopei), and Gen. Shih Yu-san (chairman of Chahar), from the two provinces.

There have been frequent reports to the effect that Hsu Hsiang-chien's units have attacked local militia, arrested magistrates and slaughtered innocent civilians in Shantung. The Garrison Headquarters of the first district of Changtsing and that of the 14th district of Shoukuang, and Yitai, Chuyeh, Laiwu, Menying (all in Shantung) were reported to have been attacked by Communist troops. They have set up the so-called "Taisi Nine Districts' Anti-Japanese Executive Committee," "The Headquarters for the Joint Defense of the Seven Districts in Central Shantung," and other local committees with their own officials in order to prevent the Shantung Provincial Government from exercising authority over these areas.

(To be continued next week)

U. S. Must Help Itself by Supporting China's Money!

Chinese paper money, generally referred to as "National Currency," is the money which practically everybody in China—even in Japanese occupied areas—uses. The Japanese profess not to like Chinese money and have done everything possible to undermine it, but despite their professed dislike they continue to use it—and convert it into so-called "gold" money such as American dollars and British pounds.

A special reason why the Japanese dislike Chinese national currency is that the public here and over the world has more confidence in it than they have in Japanese yen, which now has little or no gold backing and has been recklessly over-issued. Worse, the Japanese have further complicated their money by guaranteeing so-called "puppet" issues scattered along the China coast from Manchukuo to Canton. Every time the Japanese Army starts a new puppet regime, they organize a new puppet bank and flood the country with worthless notes.

Then, to make matters still worse, the Japanese Army has flooded the Yangtsze Valley with tens of millions of inconvertible "military yen" which the Chinese are forced to accept at the point of the bayonet. But as soon as the Japanese soldiers turn their backs, the Chinese get rid of the military notes as quickly as possible, even at a great discount.

In Tientsin the Japanese have tried to force the people, foreigners as well as Chinese, to accept their "hot" puppet money by requiring all customs transactions to be handled by the Japanese Yokohama Specie Bank at a so-called official rate. The puppet currency which the Japanese have issued in Tientsin, known as "Federal Reserve Bank" (FBR) notes may be purchased at cash shops for 18 or 20 to an American dollar, but the Japanese attempt to force businessmen to pay "official" exchange rates amounting to about three "FRB" notes for one American dollar. They call it "export control," and refuse to issue shipping documents unless the transaction has been handled through the Japanese bank. Although the FRB notes are issued by a bank supposedly controlled by the puppet Chinese authorities, they actually have nothing to do with it as the bank is completely controlled by the Japanese military authorities.

When the Japanese Army started the Nanking "Reformed" Government in March, 1938 they followed their usual procedure and created a bank, known as the "Hua Shing Commercial Bank," which was opened with a "geisha reception" at the New Asia Hotel and advertised as the new government's bank. The bank immediately issued a flood of new notes and required the people to use them in buying railway tickets, paying taxes. The people followed the usual procedure: they used the notes, but got rid of them as quickly as possible. After the Japanese realized their failure to introduce "Hua Shing" currency, they retaliated by bringing over from Japan tens of millions of inconvertible "military notes" which are compulsory for all who ride on the trains, use the telegraphs, buy postage stamps, etc.

Negotiated Loans

K. P. Chen

Now comes the latest development—creation of the Wang Ching-wei puppet government and the creation of a puppet "Central Bank." Two weeks ago the Japanese military authorities withdrew $20,000,000 of Chinese customs funds from the Yokohama Specie Bank which they used for the purchase (in the name of the Wang regime) of gold bars in the Shanghai market. It is thought that these bars are to be used as collateral in connection with the establishment of Wang Ching-wei's new bank. Also, it is suspected that the Japanese are planning "export control" here somewhat on the order of Tientsin, except here they will require all customs transactions to be made through the Wang bank or the Yokohama Specie Bank at an "official" rate established by the Japanese Army and its Nanking puppets. This rate, naturally, will have no relationship with realities and will be nothing more nor less than a "racket," designed to squeeze the foreigners out of Shanghai.

There is one potent way to meet this situation: Help the Chinese bankers and the Chinese authorities to maintain the value of their currency. This has been done for several months through the Hongkong Stabilization Fund, controlled jointly by British and Chinese bankers at Hongkong. The Stabilization Fund usually has been maintained at about £5,000,000, but now has been reduced to £1,500,000 or less. Unless something is done shortly to replenish this fund, it is more than likely that Chinese National Currency will drop again, possible to 20 or 25 Chinese dollars for one American dollar. (This prediction is being verified as we go to press, the Chinese dollar slumping to more than 20 Chinese to one U.S. dollar.)

Business men and the public generally might face this situation with composure if there were prospect of another dependable type of currency being introduced, but there is no such prospect. The only alternative to Chinese National Currency is some form of inflated Japanese currency or worse—a new brand of puppet money from Wang Ching-wei's central bank.

Dr. Paul Monroe, chairman of the China Foundation for the Promotion of Education and Culture, otherwise the American-Chinese committee which administers the American share of the Boxer Indemnity, who was in Shanghai last week, recommended that the U. S. Treasury grant to China a definite currency loan, possibly US$75,000,000, which would definitely protect Chinese currency and eliminate the possiblity of Japanese Army and puppet racketeers from undermining it as they are now planning to do, In short, the situation narrows down to financial order versus economic anarchy, because the Japanese, obviously, have no resources to stabilize Chinese currency. Their only object is to loot China in order to finance their enormous military bills.

K. P. Chen, well-known Shanghai banker, who has represented

the Chinese Government in financial transactions in the United States for several months, is returning to China shortly. He probably will proceed to Chungking for a conference with government officials as he was responsible for the recent loan of U.S.$ 20,000,000 which Chungking will use for the development of transportation facilities in west and southwest China. Whether Mr. Chen will discuss the matter of a currency loan is not known. Mr. Chen served for many years as president of the Shanghai Commercial and Savings Bank and as director in other leading Chinese banks. He is a graduate of the University of Pennsylvania (1909) and established the first modern-type Chinese bank here shortly after his return from the U. S. While Mr. Chen negotiated the recent US$20,000,000 loan, he also participated in negotiating previous loans in the United States, one being for US$25,000,000 and another for US5,000,000. These loans are secured on Chinese commodities shipped to the United States, chiefly tung oil and tin.

Will Norway Prove to be a Second Gallipoli?

CONTRARY to expectations fostered by Allied sources, there has been no great battle between Allied and German forces in Norway, and as the days pass the likelihood of any such engagement recedes more and more into the background. Up to the middle of this week, the Germans had succeeded in making fairly steady advances and whatever military gains have been made thus far have all been on their side, both in the north and the south. Narvik, in the north, which the world was led to believe was on the point of falling into Allied hands two weeks ago, is still held by the Germans. It is the same elsewhere. Not a single port at which the initial German landings were effected has been wrested from the invaders. Estimates of the opposing forces in Norway give the Germans 60,000 men and the Allies 45,000.

Norway, judging by current indications, bids fair to become the Gallipoli of World War II. It will be recalled that in the first World War, in order to strike directly at Turkey, then Germany's ally, British troops were landed on the Gallipoli peninsula at tremendous sacrifices in human life. After they had maintained a precarious foothold for some time, the Allied General Staff realized the failure of the expedition and the troops—mostly Australians—were withdrawn. This episode in British military annals was and is regarded by unbiassed military experts as one of the most costly and futile in British military annals. It earned for Winston Churchill, who conceived the entire strategy, the ironic title of "Gallipoli Churchill"

There has thus far been no official Allied intimation of any intention to withdraw from Norway, but there are plenty of rumors—most of them from German or Italian sources. According to the London correspondent of the *Giornale d'Italia*, Mussolini's newspaper, the ninth meeting of the Allied Supreme War Council, held early this week, considered two alternative courses of action:

1. Complete but gradual withdrawal of Allied forces from Norway.
2. Withdrawal of Allied forces from southern Norway only.

According to the correspondent, the first course was decided upon. A *Transocean* report from Amsterdam, on the other hand, declared that the Council had resolved to intensify the military effort in Norway, on land, sea and in the air, "regardless of risks," and to cover the preparations by inspired reports of an imminent withdrawal.

British misgivings over the situation in Norway were voiced on Apr. 30 by Sir Archibald Sinclair, leader of the Liberal Party. "If the British Government muddles the campaign, it will be for Parliament to act objectively, fearlessly and resolutely at the grand inquest of the nation," he said, adding that British evacuation of southern Norway would be justified only if military leaders thought the situation beyond repair. Sir Archibald went on to declare that unless the Government decided to take vigorous, determined action, the neutrals would rush "to climb on the German band wagon."

Muddling Through

Cartoon by H. E. Homan

Senator Key Pittman, chairman of the Foreign Relations Committee of the U.S. Senate, was quoted by the *Transocean* agency on Apr. 24 as saying that if the Allies did not succeed in driving the Germans out of Norway in 30 days, it would be practically impossible for them to win the war. Senator Pittman introduced a correction, declaring he had said that it would be "very

important" for the Allies to drive the Germans from Norway in the next 30 days.

Sir Oswald Mosley, leader of the British fascists, attempted to exploit Allied difficulties in Norway when on Apr. 26 he urged the British to make peace while Britain is still undefeated and not exhausted. "We will not surrender one inch of British soil," he declared, "but we have no interest either in eastern Europe or the mandated territories, for the simple reason that we possess one-quarter of the world already."

An important indication that the Germans feel fairly confident of their ability to maintain themselves in Norway and bring the country under complete control is the fact that despite dire Allied predictions of an imminent German attack on Sweden no such attack has taken place. The London *Daily Express* asserted on Apr. 25 that Germany would that day deliver demands to Sweden for control of the latter's iron mines and that failure to comply would be followed by invasion. The demands, said the paper, would require that Swedish ships be used for the sole purpose of trading with Germany, and would further insist that the port of Lulea, on the Gulf of Bothnia, be improved so as to allow more rapid ship clearances, thus assuring more iron ore to Germany. It was also rumored that Germany was planning to seize the Aaland Islands, part of Finland's territory, in order to command the strategic approaches to Sweden and thus compel Sweden to submit. Seven days have passed and none of these predictions have come true.

"Military Objective"

London Herald

Male:—"Fifi, you have no grounds for complaint, because that hat which you wore to the military parade made you a military objective!"

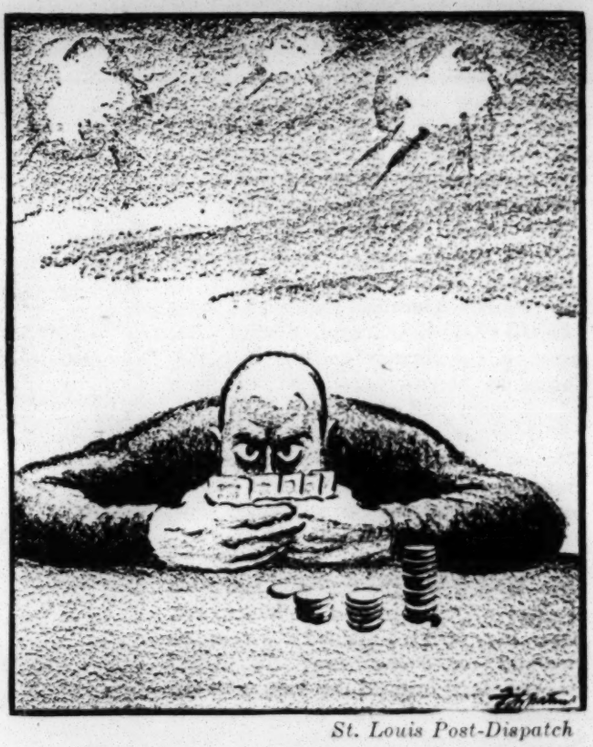
On Apr. 25, Chancellor Hitler appointed the Gauleiter of Essen, Herr Josef Terboven, as commissar for the German-occupied territories in Norway. On Apr. 27, Hitler issued a decree proclaiming a state of war between Germany and Norway. Exactly who is directing the Norwegian armed forces is not clear, since King Haakon and his government fled to Sweden soon after the German invasion.

Allied difficulties in Norway have produced a noticeable intensification of anti-Allied propaganda in Italy—which was only to be expected, for Italy, a second-class power, will elect to join what looks like the winning side when the time arrives to abandon her neutrality. Signor Ansaldo, editor of *Il Telegrafo*, declared in a radio address in Rome on Apr. 28 that it would be impossible for a country like Italy to remain out of the war indefinitely. He concluded his remarks with an expression of best wishes "for the success of the German troops in Norway."

The day after this speech was delivered, Dr. Robert Ley, leader of the German Labor Front, proclaimed that Italy would stand by Germany in the present conflict and went on to voice Italian aspirations against Britain and France. "Is Corsica French?—the great Corsican, Napoleon, was Italian. And North Africa and the Mediterranean? What business has England on the island of Malta and at Gibraltar? As little as in our Baltic . . . The friendship of Il Duce and Der Fuehrer is the best guarantee that both peoples will stand together in the hard struggle."

Count Dino Grandi, President of the Chamber of Fasces, speaking in the presence of Premier Mussolini, made a declaration even more authoritative than that of Signor Ansaldo. "Italy cannot stand outside this conflict," he asserted. He was followed by Dr. Buffarini-Guidi, who said that Italy would participate in "all decisive events" in Europe in order to fulfill her legitimate aspirations.

On the Mediterranean Front



St. Louis Post-Dispatch

At the moment of course, Fascist Italy is playing the well-known game of bluff. By creating the impression that Italy is on the verge of joining the war on the side of Germany, Mussolini hopes to make substantial gains, including territories (perhaps Tunis and Djibuti—both French) without fighting for them. Prime Minister Chamberlain would doubtless be prepared to give away Tunis and Djibuti, since they are not British—if it were possible to talk the French into it.

As a precautionary move to prevent any heavy losses of merchant tonnage in the event that Italy should suddenly enter the war on the side of Germany, British ships which normally pass through the Mediterranean en route to India and the Far East have been ordered to take the longer route around the Cape of Good Hope. At the same time, Imperial Airways' planes have had their schedules altered to eliminate landings in Italy.

Meanwhile, to supplement the game of bluff, Italy has called the men of the 1916 class to the colors. According to a report from Rome this is the first of five classes that are to be called up, the total being 1,250,000 men. It is also reported that student demonstrations against Yugoslavia are taking place in Italy. In this connection the Allies are accused of trying to drag Yugoslavia into the war in order to create a new war front against Germany.

British efforts for a rapproachement with Soviet Russia via a trade treaty do not seem to be making much progress. On Apr. 29, M. Ivan Maisky, the Soviet Ambassador in London, handed to Foreign Secretary Lord Halifax Moscow's reply to a recent British note on

this subject. The Soviet reply questioned the right of the British Government to interfere in Soviet-German trade and declared that any negotiations for a trade treaty would have to be confined to the question of purchases and sales between Great Britain and Soviet Russia. Moscow is believed to be willing, however, to give an undertaking that no purchases made by the Soviet in Britain will be reexported to Germany. This alone would not serve British ends, because London's aim is to exploit trade relations with Russia with a view to cutting down Russian exports to Germany, and if Russia were able to export to Germany manufactures and raw materials of Soviet origin corresponding in nature and quantity to

Germany Must Wait

London Star

British cartoon depicts predicament of Germany (dachshund) while the Russian hound consumes all of the available Soviet supplies.

Soviet imports from Britain, Germany would be no worse off as a result of a Soviet-British trade treaty.

That Soviet Russia is regarded as a serious "leak" in the Allied blockade of Germany was indicated by Mr. Ronald H. Cross, British Minister of Economic Warfare, in a speech before the American Chamber of Commerce in London on Apr. 30. In this case, however, the Soviet port of Vladivostok came in for chief mention. Since the outbreak of the war, Mr. Cross said, such large quantities of copper, tin, rubber and other materials were imported by Soviet Russia via Vladivostok that it was virtually certain a large part of the supplies was destined for Germany.

"Many consignments reach Vladivostok by curious and suspicious routes," the speaker said, adding that the United States has been the source of much of these war materials, and—"we wonder sometimes how far it is generally realized by your country that important supplies of key war materials reach Germany in this way." Mr. Cross seemed to overlook the fact that the United States is not at war with Germany and there is consequently nothing "suspicious" about any of these transactions.

A brief flutter was caused last week-end when the Reich Foreign Minister, Herr Von Ribbentrop, issued a statement to diplomats and press representatives in Berlin in which he described the German invasion of Norway as a timely counter-action which foiled Allied plans to make a surprise landing of troops in Norway. The British action in mining Norwegian waters on Apr. 8, he said, was "just a preparation for the landing of a British expeditionary force which was already prepared to sail." To back up this assertion, Von Ribbentrop distributed copies of a German White Book containing alleged documents proving British intentions in Norway. The documents, he said, fell into German hands after the first engagement between British and German forces in the region of Lillehammer on Apr. 22.

London characterized the Von Ribbentrop statement as a deliberate perversion of the truth. Ironic reference was made to the fact that, if the Germans are to be believed, the British give important state documents to British soldiers and officers, who in turn conveniently allow them to fall into German hands. This irony was echoed in press comments in the United States. Only the Japanese press pretended to take the Von Ribbentrop statement, and the White Book, at all seriously. The Tokyo *Asahi*, according to *Transocean*, declared that Von Ribbentrop had established before the whole world Britain's responsibility for extending the war to Norway, while the *Hochi* spoke of the "dangerous machinations of Britain and France." The *Miyako* expressed the view that the German White Book was an "important milestone in the history of war guilt."

Democratic liberties in the Allied countries, according to reports last week, are suffering continuous blows as the war continues. Fifty-three workmen at the Renault automobile factory in France were arrested, according to a Geneva report, as part of the campaign against "defeatism." At the same time, the British Home Secretary, Sir John Anderson, has announced his intention of strengthening war-time regulations "for the purpose of checking activities specifically directed towards impeding the national war effort." There was a risk, he said, that the liberty allowed by British traditional principles might be abused by "extremists," some of whom were anxious to destroy British liberty. This pronouncement is regarded in some quarters as preparing the ground for the illegalization of the Communist Party and the suppression of its publications, which would merely be the prelude to suppression of all anti-war organizations and anti-war sentiment, which, as many reports have indicated, is considerable.

Chungking Protested Road Deal, But Praised Franklin!

While the authorities of the Chinese Government indignantly protested the action of the International Settlement in handing over the Outside Roads areas to the local puppet municipal administration, the Government, nevertheless, highly praised the work of C. S. Franklin, former chairman of the Council who conducted the negotiations.

C. S. Franklin

The following reference to a "Certificate of Meritorious Services," awarded to Mr. Franklin by Chungking, appeared in *The Shanghai Times* on April 24:

"Mr. Cornell S. Franklin, until recently Chairman of the Shanghai Municipal Council, received a surprise on Monday night when a package arrived at his office addressed to him. It was very important looking and was all in Chinese. He had it translated and was told that it was a "Certificate of Meritorious Services," presented to him by the Chinese Government in Chungking. The document, which was adorned with a big red seal of official aspect, had been sent to Mr. Franklin from Chungking by unknown means, probably via Hongkong. It bore the official signature of Dr. H. H. Kung, who signed it in his capacity of President of the Executive Yuan, a post which he has now relinquished. The certificate stated that it had been awarded to Mr. Franklin 'in recognition of his noted public services in relief measures and succour of the distressed.' Mr. Franklin said that he had no previous intimation of the honour until the letter arrived. It came as a complete surprise to him and he was greatly gratified when he learnt of its contents. Asked if he were pleased to receive it, Mr. Franklin said, 'Naturally I am always pleased if anyone thinks I have done anything useful.' However, Mr. Franklin is not quite sure which of his various public activities has caused Chungking to take such official recognition of his efforts and to praise his services."

'Red' Border District in Northwest Is Leading Rival to Puppet Regime

BY DENZO HIRATAKE

Lecturer at Waseda University

(Translated from the Seikai Ohrai, April, 1940)

IT is now part of common knowledge in international affairs that the two main and fundamental causes of the China Affair were (1) the anti-Japanese movement developing out of the policy of the Kuomintang Government to use the racial issue for its own increase in power and unification of China and (2) the anti-Japanese People's Front rallied by the Soviet Government as an important link in its drive for a world Communist revolution. Finally, as a result of the colossal change wrought by the China Affair, the anti-Japanese National Government has been reduced to a mere local regime at Chungking, in Szechwan Province, and a new social order is being formed in rejuvenated China under the new National Government of Wang Ching-wei. At a time when in this way the China Affair is approaching a phase of momentous importance, Soviet-Japanese relations arising out of East Asiatic problems, that is to say, Japan's policy toward the Soviet Union centering on China, cannot but be of vital and growing interest. The very slogan "establishment of a new order in East Asia" implies not merely East Asiatic problems centering about China but also problems of latent and enormous potentialities connected with the Soviet Union.

No End in Sight

A great deal of attention is being focussed on the fate of the Northwestern Communist Government in the next political phase in China to be ushered in by the formation of the new National Government. The formation of the Wang Ching-wei Government clearly does not spell the end of the China Affair but only a stage toward its settlement. At the same time, it is obvious that the strength of the Chungking Government must visibly weaken under the steady progress of the new central government. Although it is still problematical whether or not General Chang Chun, General Ho Ying-ching and other leaders of the "Japan-knowing" faction in the Chungking Government would be able to join the Wang Ching-wei Government, there can be no doubt that the formation of the new central regime must exercise the greatest effect on the fate of the Chiang Kai-shek Government, in view of the recent complicated and delicate political situation at Chungking with the Kuomintang and Communist elements at daggers drawn and threatening to break out into open conflict.

K. M. T.—Communist Friction

Already since the conclusion of the Soviet-German agreement and alienation of Britain from the Soviet Union, friction has increased between the Kuomintang and the Communists at Chungking. The Kuomintang has been shifting the responsibility for successive defeats in the field throughout the Sino-Japanese hostilities onto the shoulders of the Communists and the tendency of the two factions in the Chungking Government to fall out is growing more acute with time. On the other hand, this does not mean that the operations of the Moscow Government in China will weaken. If the formation of the new National Government intensifies the friction between the Kuomintang and the Communist Party, it is obvious that the greater the friction between them the more powerful will the Communist regime in Kansu and Ninghsia become under a more positive China policy on the part of the Moscow Government.

Little Man Have Hard Time

Costello in Nickerbocker News

As a result, the political system of China will be divided between two big political centers: the pro-Japanese Wang Ching-wei regime at Nanking and the anti-Japanese Communist regime in the Northwest. This means that the political and ideological rivalry between the Soviet Union behind the latter and Japan behind the former will be intensified.

For the last several years there has been sore friction between the Soviet Union and Japan, originally along the Manchukuo border, and now all along the China border. Especially with the Northwest sovietization issue growing more and more serious in conjunction with the anti-Soviet defense issue of the Mengkiang (Inner Mongolia) region, the center of gravity of Soviet-Japanese rivalry in China has moved to the Northwest. This, however, does not imply any lessening of the significance of Manchukuo for Japan's national defense. But in the new phase of Soviet-Japanese relations to follow the establishment of the Wang Ching-wei regime, the Communist regime in Kansu and Ninghsia forms the foremost line of Soviet influence in China and confronting it will be found the first line of Japanese defense, the Japanese outposts in Mengkiang, Shansi and the special districts of North China, which means that the surface of contact between Soviet influence and Japanese power in China will be most concentrated on the Northwestern side.

Northwest Red Influence

In this sense, the keynote of Japan's policy toward the Soviet Union is implicated in the interaction between the Northwestern Communist regime and the Mengkiang-North China anti-Comintern district. The pro-Japanese and anti-Comintern national-salvation-through-peace movement of the Wang Ching-wei Government may be greatly impeded by some action on the part of the Northwestern Government. It is, therefore, extremely important that the reactionary influence from the Northwest Communist district, liable to be exerted on the Chinese in their effort to bring about a new social order in China, should be checked along the Mengkiang and Shansi areas. The peculiar significance of the Mengkiang area for defense against the Soviets had been recognized from the first, but the new phase of Soviet-Japanese relations introduced by the formation of the Wang Ching-wei regime must be regarded as having greatly increased the importance of Soviet policy round Mengkiang and Shansi. While on a recent tour of inspection through Mengkiang, I keenly felt this to be the case.

The Peking-Paotow and Lunghai Railways are of the highest importance as arteries through which the future policy toward the Soviet Union must be pursued. Also the areas to the north and south of Shensi Province, which end at Sian, are points of keen interest as within them Japanese and Soviet influences are likely to come to grips. To extend the anti-Comintern forces westward from Mengkiang or Shansi, therefore, forms the necessary part of Japan's policy toward the Soviet Union. In this respect, the problem of trade with the Northwest is deserving of the closest attention.

Mongolia's Trade Declined

The trade between Paotow, in Mengkiang, and Kansu and Ninghsia, in the Northwest, amounted to Yen 40,000,000 annually up to the outbreak of Sino-Japanese hostilities. Under the war, it suffered considerably. In August, 1938 Chiang

Kai-shek concluded a secret treaty with the Soviet Union and in accordance with the wishes of Moscow he prohibited the "export" of wool, hides and other livestock products of the Northwest to Mengkiang, so that Northwestern trade has severely declined. The severance of trade relations also occasioned cessation of communication between Mengkiang and the Northwest.

In order, therefore, to extend the anti-Comintern area westward and to strengthen the anti-Communist political influence on the Northwestern Communist regime so as to develop Japan's policy to its advantage toward the Soviet Union, the economic line of communication with the Northwest must be reconstructed. The politico-economic traffic from the Peking-Paotow line and from Paotow as far as Kansu and Ninghsia along the upper reaches of the Yellow River, is most important, but a political-economic route from Peking to the Northwest through Shansi and Shensi is also of the greatest significance.

It is clear that the Soviet Union in the new phase of its Far Eastern policy will redouble its efforts to consolidate the Communist power in the Northwest and to win over the Chungking Government, besides pushing its policy on the Manchukuo border. To be sure, the Soviet Union has recently been suggesting an attitude of conciliation with Japan, under the exigency of devoting much of its energies to European policy. It has proposed diplomatic negotiations for settling the border question and for conclusion of a new commercial agreement in an endeavor to loosen the tension in its relations with Manchukuo and Japan. But if one recalls the nature of Soviet-Japanese relations in the last 20 years, the change in the Soviet attitude must obviously seem mere expediency under the more pressing affairs in Europe.

Consequently, the moment the Soviet Union finds that its western front is sufficiently strong to admit of dividing its attention to Far Eastern policy, it is obvious that it will stiffen its attitude toward Japan and Manchukuo. Already the breakdown of the diplomatic negotiations on the Nomonhan border problem has shown this most unmistakably and, moreover, if it is noted that the Soviet Union concentrated much of its energies on China policy even while it was busily engaged in diplomatic operations in Europe, one must be prepared to see the Moscow Government turning more positive in its maneuvers to extend and strengthen the Northwest Communist regime, now that a new National Government has been set up at Nanking. It is to be noted that the danger of a clash between Japan and the Soviet Union in the future lies in the China policy of the Moscow Government, or, more immediately, in the next move of the Communist regime in Kansu and Ninghsia.

In these circumstances, my recent tour of Mengkiang has made me feel keenly the importance of strengthening the anti-Comintern machinery in Mengkiang, Shansi and North China as a bulwark against the Red menace from the Northwest, at the same time that a policy of peace with third Powers is maintained and the construction of Manchukuo accelerated.

Wobbly

Chinese newspaper in Chungking indicates the precarious support of the Wang Ching-wei puppet government.

Gen. Nishio Amnesties Chinese Political Prisoners

As a manifestation of the "goodwill and generosity of the Japanese Army authorities," Gen. Toshizo Nishio, Commander-in-Chief of the Japanese Expeditionary Forces to China, has granted amnesty to all Chinese political and military prisoners serving terms in jails in the Japanese-occupied areas of north, south and central China. A decree to this effect was issued at Nanking on April 26 to mark "the return of the National Government" (Wang Ching-wei's puppet regime) to the former Chinese capital. Death penalties were commuted to life imprisonment and all other sentences were halved. One hundred and thirty prisoners who had served more than half of their terms were reported to have been released. A *Domei* report on the subject did not state the number of Chinese political and military prisoners in Japanese-occupied China.

Four Germans Kidnapped By Northern 'Bandits'

Four Germans were kidnapped April 28 by Chinese 'bandits' while on a week-end excursion to the Piyuntze Temple about 30 kilometers from Peiping, according to a *Transocean* report. Two of the victims, Miss Schuette of the German News Agency and a secretary of the German Embassy staff, were quickly released and returned to Peiping last Sunday afternoon. It was expected that the other two, Mr. Lueder Haesloop and Mr. Ernst Reimers, both of Carlowitz & Co., would be liberated soon after.

Reich Red Cross Head Received by Hirohito

The Duke of Saxe-Coburg Gotha, head of the German Red Cross who is at present visiting Japan, was received in audience by Emperor Hirohito on April 30, *Domei* reported from Tokyo. He was presented by the German Ambassador, Major-Gen. Eugen Ott, and conveyed a personal message to the Mikado from Chancellor Adolf Hitler who congratulated the monarch of Nippon and the nation on the alleged 2,600th anniversary of the founding of the Japanese Empire.

On Apr. 29 the Duke was entertained at dinner in Tokyo by the Japanese Premier, Admiral Mitsumasa Yonai, and the Japanese Foreign Minister, Mr. Hachiro Arita. Many prominent Japanese officials and members of the German community in Tokyo were in attendance.

The Japanese press and the Japanese *Domei* agency, employing well-known journalistic tricks, have sought to convey the impression that the Duke's visit to Japan is much more than a trip in the interest of the German Red Cross organization. Thus the Tokyo *Hochi Shimbun* declared editorially on Apr. 27 that it can easily be seen "how nervous Great Britain and France have grown" over the Duke's presence in Japan. They feared, the paper asserted, the possibility of a Japanese-German rapprochement.

The Duke himself explained in a press interview the same day that his earlier visit to the United States, during which he talked with President Roosevelt, served solely the interests of the German Red Cross, while his visit to Japan (the second this year, as he passed through Japan on his way to the United States) was merely for the purpose of conveying Chancellor Hitler's greetings on the 2,600th anniversary.

The German Embassy in Tokyo issued on Apr. 30 a categorical denial of a report which had appeared in the American-owned *Japan Advertiser* to the effect that Capt. Fritz Wiedemann, German Consul-General in San Francisco and for many years personal aide to Adolf Hitler, was in Tokyo. The paper asserted that Capt. Wiedemann had arrived in Japan from San Francisco aboard the N.Y.K. liner Kamakura Maru at the head of the staff of Charles Edward, Duke of Saxe-Coburg Gotha.

Shanghai's North Station Due to be Reopened

Battered and partly demolished during the 1937 hostilities, Shanghai's famed North Station was to be reopened this week by the Central China Railway Company, subsidiary of the Japanese-controlled Central China Development Company. Hitherto a wooden shack has been utilized for the station building. The North Station will continue to be used as Shanghai's main railway depot only until the new Shanghai station, now under construction at Kiangwan, is completed.

Puppet Nanking Regime Celebrates its Inauguration; Abe and Wang Ching-wei Exchange Felicitations

THE cardinal event in Nanking last week was not the fuss stirred up by the Wang Ching-wei-ites by way of celebrating the "return of the National Government to its capital," but preparation for the opening of negotiations for a Wang-Japanese treaty.

With the celebrations over, Gen. Nobuyuki Abe has completed his first task as Japan's envoy extraordinary to the Wang regime. The next task which the Japanese warlords have set for him is the conclusion of a treaty with Wang, legalizing Japan's plunders in China and pledging China to further the imperial ambitions of Japan in continental Asia. The treaty is to be negotiated on the basis of the three principles of "good neighborliness, joint defense against Communism and economic cooperation" formulated by the then Japanese premier, Prince Konoye, in December of 1938.

Treaty Before Recognition

According to inspired Japanese reports from Tokyo, Japan will extend formal recognition to Nanking only after the signing of an important basic treaty. Whether Wang is going to make a stand against the Japanese or give in entirely to their demands, cannot be forecasted. However, it seems apparent that the Japanese are determined to take full advantage of Wang and make the best use of him. Nurtured and reared by Japanese warlords, the Wang regime probably will have little choice but to submit in order to obtain continued Japanese support.

On the day of his arrival in Nanking on April 23, Gen. Abe addressed a message to the Chinese nation, that is, those Chinese residing in Japanese-occupied areas, in which he emphasized that the Nanking regime was "striving towards the establishment of a new order in East Asia, befriending Japan and cooperating with Japan under the banner of peace, anti-Communism and national salvation."

Referring to the forthcoming celebrations, Gen. Abe said that he hoped that these "will mark the first step towards a readjustment of our relations (that is, Wang-Japanese relations), upon which will be established the foundation of a New Asia which may contribute towards the establishment of universal peace and the welfare of mankind." He also stressed the point that "the doctrines and program of this Government (Nanking) coincide with the established policies of the Japanese Government."

Four-Days' Celebration

The Nanking celebrations lasted four days, April 26 to 29. Events on the first day were featured chiefly by speeches by Gen. Abe and Wang Ching-wei. Shoulder to shoulder they entered the hall where the celebration ceremony was held, followed by two lines of Japanese and Chinese officials. Chu Min-yi, Nanking's vice-president of the Executive Yuan and concurrently foreign minister, welcomed the Japanese delegation on behalf of the puppet regime.

Gen. Abe, in a speech of felicitation delivered on the occasion, reiterated the promise of the Japanese Government to accord its "whole-hearted support" to the Nanking regime. He said that the intention of the Japanese Government "is to assist your country on the road to full development and prosperity." He praised Wang Ching-wei and his associates for their tireless efforts for the promotion of peace and expressed the belief that the prospect of establishing a new order in East Asia will become brighter.

Replying to Gen. Abe's congratulations, Wang Ching-wei spoke on the joint responsibility of China and Japan for the rejuvenation of East Asia. By crooked analogy he tried to establish the point that Dr. Sun Yat-sen's idea of Pan-Asianism and the Japanese slogan "Creation of a New Order in East Asia" are identical. Elaborating the Japanese slogan, he said that there are two important sides to it. First, to eliminate all external economic penetration in East Asia of the past century as well as the Communist menace of the past twenty years. Secondly, China and Japan, under the principles of good neighborliness, joint anti-Communist front and economic cooperation, should share the responsibility of building up a new order in East Asia. "From this point of view," he concluded, "the creation of a new order in East Asia is identical with the theory of Pan-Asianism as advocated by the late Dr. Sun."

Wang Gives Reception

During the four days of celebrations, there was considerable hobnobbing between Wang and the Japanese. An official reception was given by Wang in honor of Gen. Abe, described by the *China News Agency* (press service of Wang Ching-wei in Shanghai) as "Imperial Envoy Extraordinary of Japan", and the so-called people's envoys from the Japanese Empire, on April 27. There was again speech-making on both sides, which harped on the same old theme of Sino-Japanese peace and cooperation.

From the standpoint of real Sino-Japanese peace, the Nanking farce last week was meaningless and peurile. Only those hypnotized by self-deception can induce themselves to believe that such a fiction as the "return of the National Government" to Nanking marks the end of the current hostilities and the beginning of Sino-Japanese cooperation. So far as the Chinese masses are concerned, they are completely indifferent to what happened or will happen in Nanking, because, they fully realize, the end of the war is not to be sought there but in Chungking. To neutral foreign observers, the Nanking show was also devoid of any peace significance.

Japanese Misgivings

Some thinking Japanese view with serious misgivings the usefulness of the setting-up of the puppet Nanking regime as a medium for the termination of the current hostilities. Commenting on the Nanking celebrations, the Japanese press in Tokyo warned its readers against undue optimism. The papers urged that the festivities in the "capital of new China" must

Wang Responds to Abe Address

Press Union Photo

Picture shows Wang Ching-wei, head of the puppet Nanking Government, responding to an address given by Gen. Nobuyuki Abe, Japanese envoy, at the recent ceremony marking the "return of the National Government" to the former capital. Gen. Abe pledged Japan's support to Wang's puppet regime.

be viewed in the light of "existing realities."

The *Nichi Nichi Shimbun* on April 28 wrote:

"The people of Japan must not be flattered or dazzled by those outward manifestations of joy and happiness. The Chiang Kai-shek regime is still keeping up a stiff resistance. Japan, willy-nilly, must continue hostilities. In the midst of this war situation, therefore, we must correctly grasp the fact that the Nanking celebrations today are but a 'sectional' event on the road leading to our aims."

The same note of reserve was also found in the *Hochi Shimbun*, which frankly stated that the situation as regards the new regime "does not necessarily warrant optimism."

On the other hand, the Wang Ching-wei press appears to indulge in extravagant hopes in the Abe mission. In a series of leading articles since the arrival of Gen. Abe, the *Central China Daily News* stressed that the time has come to carry out the peace schemes and urged a fundamental solution of the Sino-Japanese dispute on the basis of close cooperation between the two countries.

No Hidden Motive

On the day of Gen. Abe's arrival in Nanking, the Wang organ wrote that the peace movement in China is similar to the Japanese movement for establishing a new order in East Asia. With either feigned indignation or ulterior motive, the paper emphatically remarked that it is a gross misunderstanding of Japan's intentions to suspect the motive behind Japan's movement for a new order in East Asia. No matter from what angle one chooses to look at it, the journal further remarked, the fact cannot be denied that China is now trying to restore peace and prosperity by promoting the policy of Pan-Asianism advocated by Dr. Sun Yat-sen.

The *Central China Daily News* expressed the hope that Japan will fully understand the aspiration of new China, which is trying to emancipate herself from foreign domination. The paper urged Japan to cooperate with China as a friend in need. Hope was also expressed that Japan understand the object of the peace and national reconstruction movement. Then, the paper re-emphasized the imperativeness of Sino-Japanese cooperation. "Only though this cooperation," it stated, "can we save our civilization from destruction during the present world turmoil and prevent the European war from spreading to Asia." Finally, the paper voiced the hope that with the arrival of Gen. Abe in China the peace schemes will be carried out one by one.

In another editorial on April 27, the *Central China Daily News* pointed out that the real cause of the conflict between China and Japan was interference by Western powers. It was because of Western interference that China and Japan became enemies and plunged into a most destructive war. As a result of the current war, the article stated, China can no longer be dominated by Western powers and has embarked upon a struggle against foreign domination. China's political position has improved, the editorial asserted. And as a result of the Sino-Japanese negotiations under the principles of equality, reciprocity and cooperation, China and Japan have become equal partners in the sacred task of developing East Asia.

Failure Predicted

The Chinese press in Shanghai belittled the importance of the Abe mission and predicted its failure. Describing Gen. Abe as a "secret agent" from Japan instead of a special envoy to Nanking, because of the secrecy of his movements, the *Shun Pao* said that if Gen. Abe is a real statemsan, he should not attempt to bring back to Japan a worthless agreement, but should urge the Japanese Government to withdraw Japanese troops from China, abandon the policy of aggrandizement, and respect the independence and territorial and political integrity of China, so as to stabilize the Far Eastern situation and promote the welfare of both the Chinese and Japanese peoples.

A note of sane pessimism was struck by Wang Ching-wei on April 29 when, interviewed by Inosuke Furuno, president of the *Domei News Agency*, he declared that unless the people of China place their trust in the new central administration, there will be no future to the peace movement, and the return of the "National Government" to its capital will be "without significance." To win the

Madame Sun Yat-sen in Chungking

Photos by Thomas Kwang

A reception in honor of Madame Sun Yat-sen, widow of the founder of the Chinese Republic, was given in Chungking on April 15 by Gen. and Madame Chiang Kai-shek. In the upper picture Mme. Sun is seen drinking a toast with the Generalissimo; Lady Clark Kerr, wife of the British Ambassador, and Mr. Nelson T. Johnson, the American Ambassador, are seen to the right of the Generalissimo. In the lower picture, Mme. Sun is seen chatting with Finance Minister H. H. Kung (her brother-in-law), while the Generalissimo converses with Lady Clark Kerr.

confidence of the Chinese people constitutes the first task of his administration, Wang emphasized.

Bolstering Morale

To bolster up the waning morale in Japan, Premier Yonai on April 24 issued a renewed appeal urging the Japanese people to give their wholehearted cooperation to the National Spiritual Mobilization Movement to cope with the present emergency situation confronting the nation and attain the final goal of the Japanese campaign in China, namely, the establishment of a new order in East Asia.

Addressing a joint convention of Parliamentary and non-Parliamentary members of the Minseito Party on April 27, Chuji Machida, president of the party, stressed the vital importance of full cooperation among all political parties in settling the China affair. He urged that Japan stick to her non-involvement policy with regard to the European conflict.

While Abe is in Nanking to celebrate the advent of Sino-Japanese peace, the bellicose Rear-Admiral Masao Kanazawa, chief of the Naval Press Section of the Imperial General Headquarters, voiced fear of never-ending hostilities "unless Gen. Chiang Kai-shek has been obliterated." He stressed the importance, not only of taking firm decision against third Powers which are pro-Chiang Kai-shek, but of giving no chance to third powers to interfere with or obstruct Japan's program in Asia.

Quo Tai-chi, Chinese Ambassador to London, addressing the British Association for International Understanding on April 24, said leadership in the Ear East inevitably falls on China by reason of her vast area, population and, ever more, her culture and national genius for development in modes of peace. China had an important part to play in Anglo-American relations because the strategic and commercial interests of Britain and the United States were parallel in the Far East, he added.

No Recognition Seen

The majority of nations of the world have indicated their decision not to recognize the Nanking regime under Wang Ching-wei, declared the Foreign Office spokesman in Chungking on April 26 basing his remark on information received from Chinese diplomats abroad. According to reports so far received, he said, the United States, Cuba, Mexico, Peru and the Dominican Republic had definitely stated their decision not to recognize the Nanking regime. The Soviet Union and British had also shown that they would continue to recognize Chungking as the National Government of China.

Extending its sphere of influence to South China, Nanking's Executive Yuan on April 23 appointed Chen Kung-po, "president of the Legislative Yuan," to the post of chairman of the puppet Kwangtung Provincial Government. Pending Chen's assumption of office, Chen Yao-tsu, brother-in-law of Wang Ching-wei, will be acting chairman.

New Kwangtung Regime

The new Kwangtung regime consists of 10 administrative officials, of whom the following hold concurrent posts as heads of departments: Commissioner of Civil Affairs. Wang Ying-ju; Commissioner of Finance, Wang Tsung-chun; Commissioner of Education, Lin Ju-heng; Commissioner of Reconstruction, Chen Yao-tsu; Commissioner of Police Affairs, Li Tao-hsuan; Secretary-General, Chen Ying-hsiang. Chen Yao-tsu also will hold a concurrent post as commander of the provincial peace preservation corps. Peng Tung-yuan was appointed Mayor of Canton while Cheu Chih-chen was chosen as Mayor of Swatow.

Culminating many months of bitter controversy and keen rivalry between the Wang Ching-wei group and the now defunct Nanking "Reformed Government" was the creation of a new press organ known as "The Central Press Service," which came into operation on May 1. The new organ represented an amalgamation of Wang's "China News Agency" and Nanking's "United Press of China News Agency," both of which announced their abolition on April 25.

Propaganda Centralized

With the creation of the "Central Press Service," the Nankingites hope that peace and pro-Japanese propaganda throughout Japanese-occupied China will be unified and centralized. But such hopes will be illusory, as far as North China is concerned, for Wang Keh-min, head of the puppet Peiping regime, will see to it that Nanking's propaganda will find no publicity in the northern press.

The Central Press Service is mainly a Wang Ching-wei organ, although there is a small representation of Japanese and the ex-Nanking reformed puppets on it. Headed by Lin Pai-sheng, Wang's publicity minister, as chairman, it is to be run by a board of eight directors, namely, S. Matsukuta, manager of the Shanghai office of the Japanese Domei Agency (honorary director), Tang Leang-li, Hu Lan-cheng and Kung Hsien-ken (representing the publicity ministry), Chow Lung-hsiang (representing Nanking's foreign office), Hsia Chi-feng (ex-Nanking foreign minister and head of the United Press of service of Wang Ching-wei in China News Agency), Yeh Hsi-sung (representing the Central China Daily News) and Kin Yun-pai (representing the Chung Pao). Lin Pai-sheng holds concurrently the post of managing-director of the service, with Hsu Hsi-ching as chief editor.

K.M.T.-Communist Rift

The Kuomintang-Communist dispute remains a serious problem in China's internal politics. The situation looks very menacing and may deteriorate into an open split. A vigorous press campaign against the Communists and their alleged unlawful activities launched a week ago by Hongkong's *Kuo Min Jih Pao*, an organ of Chungking and headed by an ex-mayor of Shanghai, Gen. Wu Te-chen, was still being continued this week.

In an editorial on April 26, quoted by the *Domei Agency*, the paper warned that Chinese resistance is facing a "grave threat" unless strong efforts are made immediately to prevent the schism from spreading. The newspaper declared that while there is little likelihood of pitched battles between the two camps, the matter is of the utmost seriousness to the nation and friction must be eradicated immediately. It raised the patience of the Central Government authorities, but asserted that the question must be brought into the open for full and lasting settlement.

Split Said Imminent

The China News Agency also furnished an item alleging that an open split between the Kuomintang and the Communists is imminent. Precautionary measures were said to have been taken by both sides to cope with any possible emergency. Secret instructions were alleged to have been issued by Gen. Chiang Kai-shek to Gens. Chu Shao-liang and Chiang Ting-wen, governors of Kansu and Shensi respectively, to prepare themselves for any eventuality. Meanwhile, Gen. Chiang's planned trip to Lanchow, together with Madame Sun Yat-sen, was said to have been cancelled and mediation offered by Gen. Feng Yu-hsiang, Sun Fo and Shao Li-tzu was also rejected by the Chungking military leaders.

Generalissimo Chiang Kai-shek and Madame Chiang sent a letter to the first conference of the United Methodist Church at Atlantic City, N. J. on April 27, blaming the European war and the Sino-Japanese hostilities on "the selfishness and avarice of men."

Gen. Pai Chung-hsi, leader of China's southwest defense, writing in the *Hsin Shu Jih Pao* in Chungking on April 26, urged all Mohammedan countries, from the Near East to Central Asia, to form a united front against imperialist aggression. General Pai, who is a Mohammedan himself, said such a united front would be a valuable contribution to world peace as well as Chinese resistance.

Agnes Smedley Gives Address in Chungking

Agnes Smedley, American writer and relief worker, who arrived in Chungking recently after several months with the New Fourth Army, described the activities of Chinese guerrillas in an address before the International Women's Club in that city on April 26. Miss Smedley stated that she had devoted 18 months to Red Cross work and had observed numerous engagements between guerrilla detachments and the Japanese. She is planning to write a book dealing with her experiences and observations.

Admiral Hart Inspects U.S. Fouth Marines

Admiral Thomas C. Hart, Commander-in-Chief of the U.S. Asiatic Fleet, reviewed the Fourth U.S. Marines at the annual inspection on April 25. The review was held at the polo grounds on the Race Course. Present were Col. De Witt Peck, Commanding Officer of the Regiment. Following the parade, Admiral Hart inspected the Marine billets in the Settlement. Lt. Col. J. M. Arthur, Fleet Marine Officer, held an inspection of special drills on the grounds of Gonzaga College on April 26. The exercises consisted of emergency and street riot drills.

Heavy Fighting Occurs in Shansi; Chinese Occupy Kaifeng Briefly

REPORTED heavy fighting in southern Shansi, with the precise objectives not at all clear, is the current feature of war news in China, with both the Chinese and Japanese—as usual—claiming important gains. A *Domei* report, purporting to have originated at Japanese headquarters in southern Shansi, recorded an alleged rout of Chinese troops with bases in the "inaccessible Chungtiao mountain range" in the course of the usual "mopping-up" campaign. This campaign it was stated, caused the Chinese to suffer 2,000 of their number killed, while the Japanese also claimed to have captured the headquarters of the Chinese Fourth Group Army at Maokiashan, highest peak in the range. This latter event allegedly occurred on April 25.

A typical Japanese military report —of which there have been hundreds since the hostilities started in 1937— was a *Domei* message on April 24, written as a field report describing the military situation in southern Shansi. The opening paragraph read: "Trapped between two mountain ranges, their retreat barred by columns of Japanese troops driving from opposite directions, the cream of General Chiang Kai-shek's army, 180,000 strong, commanded by General Wei Li-huang, is faced with annihilation, field dispatches reaching military headquarters today disclosed." But the "trapped" troops, as usual, seem to be giving a good account of themselves. Reports to come will doubtless tell how the elusive Chinese succeeded in breaking out of the iron cordon of mountains and Japanese soldiers.

Chinese military reports on April 24 claimed that Kaifeng, capital of Honan Province, had been recaptured by Chinese troops operating along the Lunghai Railway the previous day. The Japanese military spokesman in Shanghai was prompt to deny that any such thing had happened. It was admitted that an attempt had been made to seize the city, but the assaulting Chinese troops were repulsed, the spokesman said. The Chinese military spokesman in Chungking countered this denial on April 25 with a statement of his "belief" that Chinese troops had withdrawn from Kaifeng after the briefest of occupations "in view of the desperate Japanese counter-attack and the difficulty in defending Kaifeng." Face was thus saved on both sides.

Japanese aircraft conducted bombing raids on the outskirts of Chungking, China's wartime capital, in the early morning of April 25. Four hundred thousand residents of the city spent four hours in dugouts during and after the raid, *United Press* reported. This was the first raid on Chungking this year. It was followed by a similar raid on April 30. Foreign press reports in Hongkong, according to *Domei*, credited the raiders with having caused extensive damage to Chinese military establishments on the outskirts of Chungking. The same agency reported that the foreign embassies and legations had moved to the suburbs of the city in anticipation of Japanese air-raids over the city proper.

According to reports received in Chungking on April 28, the Japanese air force resumed its bombardements of the Yunnan Railway on April 26, the points given attention being Mengtsz and Kaiyuan on the Yunnan-French Indo-China border. The Japanese claimed that they succeeded in demolishing a railway bridge n the vicinity of Paichai, near the border, and declared that the skeleton train service established after previous bombings had been crippled.

Nanling, alleged base of operations of the Communist-controlled New Fourth Army, 50 kilometers south of Wuhu in Anhwei Province, was captured by Japanese troops on April 25 after seven hours of street fighting during the night, *Domei* reported. Capture of the city was said to be the culmination of a three-day campaign.

Generalissimo Inspects Soviet-made Tanks

Photo by Thomas Kwang

General Chiang Kai-shek is pictured here inspecting a tank corps somewhere on the Kwangsi front recently, The tanks were made in Soviet Russia.

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South Seas Mission Given a Royal Welcome on Visit to China's Capital

BY WILLIAM CHANG

CHEERS and support from the 10,000,000 overseas Chinese in the South Seas were brought to their homeland by a "comfort mission" which arrived in Chungking on April 17. The enthusiastic scene of welcoming Jawaharlal Nehru last August and the Burma Goodwill Mission last December was reenacted in the wartime capital when 43 members of the mission reached Chungking from Kunming after a two-week trip by highway.

Amid loud cheering and welcoming music by the army band of the National Military Council, the delegates were received by 500 representatives of various government offices, including the Central Kuomintang Headquarters, the Overseas Affairs Commission, the Central Publicity Board, the Overseas Board, the National Relief Commission, the Social Affairs Board, the Ministry of Finance. General Chen Cheng, chief of the Board of Political Training of the National Military Council; Gen. Wu Te-chen, Minister of the Overseas Board; and Mr. Chen Shu-jen, chairman of the Overseas Affairs Commission, acted as directors of the welcoming party at the jetty. Messrs. Tan Kah-kee and Tjung See-gan, well-known overseas Chinese industrialists and leaders who arrived at Chungking ahead of the mission, were also present. Mr. Tan is the chairman of the mission.

Large Welcoming Party

Long before the delegation arrived, the spacious ferry landing ground was packed with government representatives and onlookers. It was a fine morning, with gorgeous sunshine despite some rain the night before. At eleven o'clock sharp a motor ferry brought the delegates to the north bank, where the crowd was eagerly waiting. A welcome march was played, while a big ovation was accorded the members as they descended from the ferry to the jetty, which was lined with smartlooking boy scouts and soldiers. Members of the women's organizations presented bouquets to their overseas friends.

The occasion was made more memorable by the fact that this is the first overseas comfort mission to visit China since the struggle began.

In a short but stirring address, Mr. Pan Kuo-chu, leader of the mission, expressed his gratitude for the warm welcome given to the members and voiced the support of all overseas Chinese to the nation under Generalissimo Chiang Kai-shek. He assured his fellow-countrymen that each and every Chinese citizen in the South Seas is backing his motherland to win the war.

Deeply Impressed

In an interview with correspondents, Mr. Pan said that he and his fellow mission members were deeply impressed and pleasantly surprised by the remarkable spirit and vast natural wealth they witnessed on their way to Chungking. The wonderful work that the government and the people are doing was eloquent confirmation of what they had been told and what they had expected to see in their motherland. In many ways the slogans are no longer slogans. They are the records of actual accomplishments, Mr. Tan added.

The significance of the mission is self-explanatory, Mr. Pan continued. No member in the misison except one had ever visited interior China, although a number of them have been to the coastal areas. From the first-hand information and eyewitness accounts they will get here, they will go back to the South Seas to spread more vivid news about how and what their country is doing during this great hour of trial. In the trip, Mr. Pan said that they had seen a really great country with their own eyes. He said that the total number of overseas Chinese in the South Seas is no less than 10,000,000, and that he believed all are loyal to their mother country. The leader of the mission saw no result in either Japanese or Wang Ching-wei's propaganda among the Chinese population in the tropical territories, because "the overseas Chinese there are most patriotic and have unwavering confidence in the ultimate triumph."

Commenting on the education of the overseas population, Mr. Pan said that considerable progress has been made in recent years. In Singapore, for example, there are at present more than 300 primary and high schools for Chinese. It is not the policy of the overseas Chinese leaders, however, to establish universities there because they feel that the children must go back to China for a higher education in order to know more about their country and their own people. Mr. Pan paid a high tribute to Messrs An Boon-haw, Tan Kah-kee and others for their capable direction and generous assistance in patriotic activities in the South Seas.

The mission represents Chinese citizens from practically every part of the South Seas islands. Most of them are connected with business, industry, education and party affairs in the different tropical territories. The oldest member in the party is sixty, while the youngest is twenty-five.

Overseas Chinese Delegation in Chungking

Central News Photo

A delegation of Chinese from the South Seas territories, consisting of 43 members, arrived in Chungking on April 17 after a trip overland via Kunming and Kweiyang. Picture shows the "Comfort Mission," as it was designated, being welcomed to the Chinese capital. In the center, with the bouquet, is Pan Kuo-chu of Penang, F.M.S., leader of the delegation. At the extreme right is Gen. Wu Te-chen, chairman of the Overseas Department of the Kuomintang.

Gen. Chiang Entertains

At noon on the day after their arrival in Chungking, Generalissimo and Madame Chiang Kai-shek played hosts at a luncheon for fifty members. In a speech of welcome, the Generalissimo lauded the patriotism of the overseas Chinese, recounted their aid to their motherland and conveyed his best wishes to two members who met with an accident while driving from Lashio to Kunming. One of the two injured is still under medical care in Yunnan while the other has recovered and is now with the party in Chungking. Following this, the mission had a good opportunity of meeting a number of high government officials, including Dr. H. H. Kung, finance minister and vice-president of the Executive Yuan; Dr. Sun Fo, president of the Legislative Yuan, when they called at the Central Kuomintang Headquarters.

Late in the afternoon the delegates were led to the National Government headquarders for a courtesy call on President Lin Sen. After a simple but impressive ceremony during which Mr. Pan paid highest respects to the president and the Generalissimo on

behalf of the Chinese in the South Seas, Lin Sen addressed the delegates, saying that only through firm resistance can we expect real peace and only through the whole-hearted support of all overseas Chinese can we achieve this goal. Every dollar that overseas citizens can save and send to their motherland counts in obtaining the final objective—the realization of a true peace, the aged president declared adding that peace at any cost at this moment would be a humiliation "both to our descendents and ancestors as well."

The aged president expressed his thanks on behalf of the Chinese people for the warm support the overseas citizens had given to the nation during the struggle. He assured them that not a single cent they contributed was spent in vain. With the continuation of the war, President Lin was confident that Chinese citizens abroad would give even greater assistance by living up to Generalissimo Chiang Kai-shek's slogan of "contribute money or strength, whichever you have." He said that he was happy to learn the news that plans for developing interior China had been formulated by Mr. Tan Kah-kee, Singapore Chinese industrial leader who is in Chungking with the comfort mission, and that he believed all overseas leaders will give him support.

Chungking, April 18, 1940

U.S., Japan Deny Moral Embargo Protest Made

Denials that the Japanese Ambassador to Washington, Mr. Kensuke Horinouchi, had protested to Secretary of State Cordell Hull against the extension of the United States' "moral embargo" to the delivery to Japan of apparatus for producing high-test aviation gasoline were issued in Washington on Apr. 25 by both the State Department and the Japanese Embassy. These denals followed a report by Hearst's International News Service that Japan had made a formal protest and that the protest had drawn "a brief but unyielding response from the State Department."

Mr. Joseph C. Grew, American Ambassador in Tokyo, made representations on April 23 to Mr. Masayuki Tani, Japanese Vice-Minister of Foreign Affairs, regarding the inconveniences suffered by American nationals at Tientsin due to the blockade of the British and French concessions. According to the official Foreign Office spokesman, Mr. Tani made no reply to the representations.

S.M.C. Deficit Loan Subscribed in Full

With the full amount of Ch.$16,000,000 subscribed, lists for the Shanghai Municipal Council's 1940 loan, issued to cover the municipal deficit, were closed on the afternoon of April 29, having opened in the morning at the Municipal Finance Department. Issued at 95, the loan bears interest at the rate of six per cent per annum. The issue was taken up principally by local banks and big business houses.

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American Newspaper Plant Bombed In New Wave of Terrorism Here

THE bombing of Shanghai's one American daily newspaper, the cold-blooded murder of a British employee of Imperial Chemical Industries, Ltd., and the killing of a Chinese detective-inspector of the Shanghai Municipal Police were the high points of Shanghai's record of violent crime last week-end. None of the criminals were apprehended.

An early hour, five o'clock last Saturday morning, was chosen by

Wang's Acrobatics

Chungking cartoon shows Wang Ching-wei mounting the balloon inflated by the Japanese juggler.

gunmen and bomb-throwers for the staging of an attack on the American newspaper office, which is situated in the French Concession, at Avenue Edward VII and Rue Montauban, just across the border of the International Settlement. Four Chinese, who previously had familiarized themselves with the lay-out of the newspaper premises by acting as delivery boys for the newspaper, took part in the attack, arriving in a taxi.

Three Bombs Thrown

While two of them engaged the Annamite policeman at the entrance in a conversation, the other two entered the press room on the ground floor, hurled three hand-grenades into the premises. Two of the missiles exploded, injuring three press-room workers, but otherwise doing very little damage. At the same time, their accomplices at the entrance shot and killed the Annamite policemen.

As the quartet fled from the scene of their crime, a Russian policeman of the French police force opened fire on their car with a sub-machine gun. He failed to register a hit on the speeding auto which was driven recklessly along Rue Montauban toward Rue du Consulat, but managed to wound three Chinese pedestrians. The getaway car turned east on Rue du Consulat, north along The Bund, then west along Peking Road in the International Settlement.

A Chinese constable of the Shanghai Municipal Police challenged the wildly-driven car. The gunmen opened fire on him, but all shots missed their target. Before the constable could draw his gun the car was out of range. In their further wild progress, the gunmen ran down and killed a Chinese man. They ended their ride in the "Badlands" in the Western Outside Roads Area, where they turned the car over to the taxi-driver whom they made prisoner after hiring the car.

Puppet Threat Recalled

The fact that their destination was the "Badlands" and that the *Evening Post* had only lately been threatened with dire consequences if it persisted in its editorial opposition to the Wang Ching-wei regime, pointed conclusively to the fact that the bomb-throwing gunmen were connected with the Nanking puppet organization. The threat to the paper was made in Nanking only a few weeks ago by Tang Leang-li, Wang Ching-wei's journalistic henchman, who gave the *Evening Post* three months in which to change its policy. A like threat was uttered by Tang against the *China Press*, which, however, was given only two months' grace.

The second major crime of the day took place in the afternoon, when Detective-Inspector Loh Keng-shen, senior Chinese detective at the Bubbling Well Police Station, was shot and killed by a lone gunman near his home at the corner of Chengtu and Taku Roads. The killer escaped. Loh was the second high Chinese officer of the Shanghai Municipal Police to be killed within two weeks, the previous victim having been Superintendent Tan Shao-liang. Although the motive for the second murder remained obscure, it was believed that police officer Loh's death was in some way connected with his activity for the formation of the proposed special police force for the extra-Settlement roads area in the Western District or "Badlands."

The Third Killing

Shanghai's third week-end murder took place last Sunday morning, close on the heels of the other two killings, the victim being a 53-year-old Briton named William B. Carine, caretaker of Imperial Chemical Industries' premises on Crescent Avenue, off Yu Yuen Road, in the "Badlands," and near the Hollywood gambling den. Two Chinese attempted to enter the company's compound and were warned off by the caretaker, who told them they were trespassing. The pair drew pistols and shot their challenger dead, thereafter escaping.

It may be pointed out in connection with this crime that G. A. Haley, one of the successful British candidates in the recent elections for the Shanghai Municipal Council, is the local manager of Imperial Chemical Industries. He was the only candidate who, in his pre-election statement, denounced the gambling and opium rackets operated in the "Badlands".

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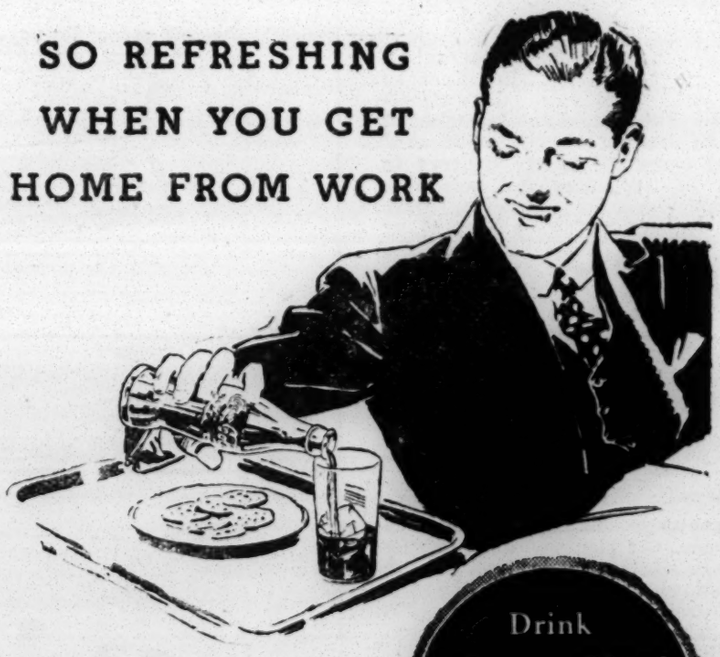

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Canada-Vladivostok Air Line Proposed

Negotiations are under way for the establishment of an air service between Canada and the Soviet Far Eastern port of Vladivostok, Mr. McConachie, president of Yukon Southern Airways, announced on April 26, according to a *Havas* report from Windsor, Ontario. Taking off from Windsor, passenger, mail and freight-carrying planes would reach Vladivostok in 48 hours and thus link Canada through the Soviet city with the most important economic centers in the Far East. Nome, Alaska, would be the take-off point for the cross-sea flight to the Asia continent. Approval of the Soviet and United States governments is now being sought for the proposed air service.

Japanese Popular Front Leaders to Face Trial

Fifteen Japanese alleged "Popular Front" leaders, including Kanju Kato, a former member of the Diet, are to face trial in Tokyo shortly on charges of having violated the Peace Maintenance Law, *Domei* reported April 28. An indictment was returned against the group of leftists by an examining magistrate last Friday after an investigation that dragged on for two and a half years. The accused were arrested on Dec. 15, 1937. The State's case against the group is said to be based on the allegation that the All-Japan Council of Labor Unions and the Japan Proletarian Party, dissolved by the Government on Dec. 12, 1937 just prior to the arrests, had been engaged in underground Communist propaganda through magazines and other publications. Most of the prisoners, *Domei* said, have abjured Communism during their long imprisonment in favor of nationalist ideas.

Rev. Father Jacquinot Awarded Nippon Prize

The Rev. Father Jacquinot, well-known French Jesuit missionary in China, has been awarded the first annual "Tairiku Shimpo Prize" in recognition of his services as a relief worker among Chinese war refugees. The *Tairiku Shimpo*, local Japanese Army organ, announced the award on Tuesday of this week. It consisted of a silver plaque showing two female figures symbolizing "Sino-Japanese friendship" and was accompanied by a cash award of Yen 1,000. The newspaper will henceforth award a prize each year "to persons who distinguish themselves in humanitarian work in China," the Army organ announced.

Interned Germans Said Removed from Hongkong

The Hongkong Government announced on April 24 that all German nationals interned in the Crown Colony's concentration camp since the outbreak of war in Europe last September have been transferred to another part of the British Empire.

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Three Singapore Chinese Shot in May Day Parade

Three Chinese participants in a May Day demonstration in Singapore were shot by police and two of them seriously wounded, according to a *Reuter* report which said that crowds of Chinese took part in demonstrations and attacked a party of twenty policemen, who then opened fire. The demonstrators, the report said, were believed to have been "instigated by local Communists."

KWEIYANG DEVASTATED BY NIPPON AIR RAID

Four squadrons of Japanese bombers brought death and destruction to Kweiyang, capital of Kweichow Province, when they raided that city on Apr. 30, according to reports reaching Chungking. The raiders caused 500 civilian casualties and destroyed scores of houses, including the Central Hospital. Main streets of the business section were wiped out. This was the second disastrous bombing of Kweiyang, the last raid having taken place on Feb. 4, 1939.

New Nippon Liner Here On Shake-Down Cruise

Gleaming in a coat of fresh paint, the new 17,163-ton trans-Pacific liner Nitta Maru, of the N.Y.K. Line, arrived at Shanghai on Monday of this week en route to Manila on a shake-down cruise prior to her maiden voyage to the United States. Originally intended for the Orient-Europe service, the vessel has been commissioned for the Orient-California run in view of the war in Europe. Air-conditioned throughout, the new ship is a credit to the Japanese shipbuilding industry. She can accomodate 127 first class, 88 second class and 70 third class passengers, in addition to having space for considerable cargo. From 4 to 6 p.m. on May 12 the vessel will be open to inspection by invited guests of the N.Y.K. Line at the Wayside Wharf.

Japan's China Seas Fleet Gets New Commander

Vice-Admiral Shigetaro Shimada, former commander-in-chief of the Kure naval base, has been appointed commander-in-chief of Japan's China Seas Fleet, the Navy Ministry in Tokyo announced on May. 1. He will succeed Vice-Admiral Koshiro Oikawa, who was simultaneously appointed to the command of the Yokosuka naval base.

In the United States Court for China

TATIANA NICHOLAS LAVROV, *Plaintiff,* vs. SERGEY EVAN LAVROV, *Defendant.*	Cause No. 4479 Spec. Pro. No. 2358 ORDER Filed at Shanghai, China, April 29, 1940 WILLIAM T. COLLINS *Clerk.*

The object of this suit is an action for DIVORCE.

WHEREAS, plaintiff herein, by her attorneys, has this 25th day of April, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 26th day of April, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that in the 25th day of April, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein since more than one year last past, and that defendant's last known address was No. 108 Austin Road, Kowloon, Hongkong.

NOW, THEREFORE, it is this 29th day of April, 1940 ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 18th day of May, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 29th day of April, 1940.

MILTON J. HELMICK.
Judge.

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Assistant Hongkong Bishop Consecrated

AN impressive service of Consecration for the Rev. Andrew Yu-Yue Tsu, B.D., Ph.D. as Assistant Bishop of Hongkong for work in Yunnan and Kweichow was held in Holy Trinity Cathedral on Wednesday May 1. Bishop Tsu is Assistant Bishop in the Chung Hua Sheng Kung Hui to the Right Reverend Ronald Owen Hall, Bishop of Hongkong.

The long procession which moved into the Cathedral at 10 o'clock was made up in the following order: The Crossbearer; a joint choir of sixty

Assistant Bishop

Yu-yue Tsu

made up of the choirs of St. Peter's Church, the student choirs of St. John's University and St. Mary's Hall and the choir of St. John's Pro-Cathedral; the Registrar of the Chinese Church, Mr. Li Mo-hsi; the Secretary of the Board of Missions, Mr. Archie Tsen; the clergy of the Kiangsu Diocese, more than twenty in number; the visiting clergy which included the four clergy from Holy Trinity Cathedral; a second Crossbearer; the Master of Ceremonies, the Rev. Montgomery Hunt Throop, S.T.D.; the Preacher, the Rev. Francis Lister Hawks Pott, D.D., S.T.D.; the Litanist, the Rev. Yao Hsien-yang; the Rev. Andrew Yu-yue Tsu with his Attendant Presbyters, the Rev. Lin Pu-chi, M.A., S.T.B. and the Rev. Kuo Shu-ching; next the bishops, the Right Reverend Curtis of Chekiang, the Right Rev. William Payne Roberts, B.D. of Shanghai, the Right Reverend Lindel Tsen of Honan; Co-Consecrators and Presenting Bishops, the Right Reverend Daniel Trumbull Huntington, D.D. of Anhwei and the Right Reverend S. T. Mok of Canton, the Presiding Bishop's Chaplain with pastoral staff, the Rev. Stephen S. H. Wei, and lastly the Consecrator, the Most Reverend Francis Lushington Norris, D.D. of North China.

The Sermon of the Consecration was preached by the Rev. Francis Lister Hawks Pott, D.D., S.T.D., a former teacher of the new Bishop, on the subject of the Church of the Living God, from I Timothy 3:15. Dr. Pott presented the nature of the Church and the special function of the Church at this critical time. The Church should promote the spirit of internationalism, the Church must have a social gospel, the Church must provide leadership he said.

Bishop Tsu's Work

Bishop Tsu is well known for his educational and religious work both in China and the United States. He is the son of the late Rev. Nyoh-daung Tsu, formerly rector of the Church of our Saviour in Shanghai. He was born in Shanghai in 1886. Bishop Tsu graduated at St. John's University and was ordained Deacon in 1907. He continued his studies at the General Theological Seminary, New York City and at Columbia University, receiving the Bachelor of Divinity degree from the Seminary in 1909 and the Doctor of Philosophy degree from Columbia in 1912. Bishop Tsu was advanced to the priesthood in New York City by Bishop Greer in 1912. He later returned to the United States for study on a fellowship awarded by the Union Theological Seminary of New York for the year 1920-1921.

Bishop Tsu has been closely connected with student work both in China and the United States. During his first period of study in New York he was one of the founders of the Chinese Students' Christian Association in America, an organization which continues effective among Chinese students in American institutions. From 1921-1924 he was general secretary of this organization in the United States. He has lectured extensively in American colleges and student conferences during his four visits in America.

Bishop Tsu has been a delegate from China to the International Missionary Council conferences at Lake Mohonk, New York and at Oxford, England. He was a member of the Chinese Delegation at two conferences of the Institute of Pacific Relations, Banff, Canada, 1932 and Yosemite Park, California, 1936.

He has taken an active part in social service work in China. For many years he was a member of the China International Famine Relief Commission; He was Executive Secretary of the International Red Cross of Shanghai for war relief during the Shanghai War, 1937-1938. He has been on the National Committee of the Y.M.C.A. movement of China, a member of the International Institute of China and other organizations.

Wang Agent Among the Students Killed Here

Hu Shih-ti, 19-year-old student of the Great China University and said to be one of the most influential leaders of the Shanghai Students' Federation, an organization sponsored by Wang Ching-wei, was shot and killed in the university building at 1051 Bubbling Well Road on the afternoon of May 1. A single gunman assailed Hu on the stairs of the building and killed him with one shot, thereafter escaping in the confusion. Hu had been denounced by students for treachery to his country, and it is generally believed that his death was encompassed by Chinese patriotic elements.

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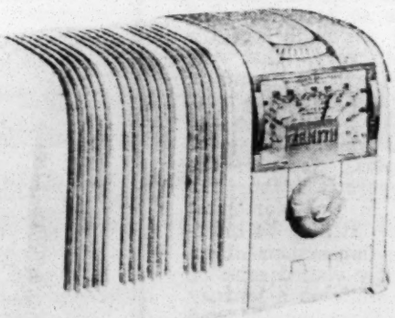

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COOPERATIVES IN THE NORTHWEST

BY RUTH VEY

FROM a rather slow and difficult beginning, the Chinese Industrial Cooperatives have grown into an established movement. One of the greatest difficulties still to be faced is that of training and organizing personnel. Cooperative members of little initiative or with scanty training too often take the role of employees, and look on the staff organizers as employers. When the organizers ask them to discuss business problems and call a committee meeting, they answer, "You need not be so polite to me." It is obvious that the caliber of the cooperatives must vary, that the worst cooperatives will be found in the districts where the people are most backward, and the best where the people have some understanding of democratic principles. Some of the most efficient cooperatives thus far have been found in the Northwest Headquarters area. It may be interesting to hear the impressions of an outsider who recently visited some of these cooperatives while on a journey which took some three months and entailed travelling through at least three of the provinces covered by the Northwest Headquarters of the C.I.C.

Contributions for Milk Saved Them

Dr. Douglas S. Corpron of the United Christian Missionary Society at Hofei, Anhwei Province, sent this picture to the American Advisory Committee for Civilian Relief in China, as an example of the work which is being done in the relief of infants and children from sickness and starvation in Anhwei province, with funds contributed for the purchase of milk by charitably-inclined persons in the United States. The mothers are wives of peasants in the vicinity of Hofei.

Weavers' Cooperative

Among the many cooperatives is one that might be called the Christian Weavers' Cooperative. One day in October, 1938 a group of skilled workers tramped with their families and scanty possessions into the Northwest Headquarters town. They heard that Indusco was anxious to get textile makers busy. Some of the older members borrowed a small sum from C.I.C., returned to Chengchow to rescue their simple machinery, fitted up a cave near Paochi, and brought half a bale of cotton. Fourteen months later they met to distribute a net profit of NC$13,508.29 among four women and twenty-two men. Not only has this cooperative proved very profitable, but the morale of the cooperative workers is remarkable as well as their cooperative spirit. They have themselves been organizing classes in various subjects, including current events and Bible studies. A cupboard with first-aid supplies attests their concern for the safety of their members.

Another cooperative is making stockings and supplying the entire local town. The really democratic organization is obvious in the equality enjoyed by each member. Then there is a machine shop manned by refugees. One man there is from Peiping. He had been right down to Nanking in search of work until the C.I.C. discovered his skill and brought him to the Northwest. This machine shop has so many orders that it can fill them only by working from early morning till late at night. A remarkable feature of their working methods is the adaptation of a motor-car engine to the use of local vegetable oil, and they are able to turn out very delicate pieces of machinery.

Transport Enterprise

A transport co-op owning a hundred carts is using 120 refugees as pullers and transporting goods for hundreds of miles. The carts are mounted on old bicycle and motor-car tyres. This cooperative boasts of a library, a bathroom, and a much-used common room. Workmanship is achieving, or at least aiming at, real standards despite frequent handicaps in skill. But good workmanship does not necessarily make a good cooperative. Therefore great stress is laid on cooperative education for eliminating exploitation of man by man, for better understanding and work

together, for the individual as well as for the national good.

In this connection the Womens' Department of the Northwest Headquarters has done remarkably well, not only in elementary instruction of the "three R's" but also with regard to the real spirit and principles of cooperatives. Apart from classes for the members of the cooperatives, the Women's Department is also running a school for children of the workers, with class-rooms in three adjoining caves. The fourth cave is reserved as library and common room. In the Northwest the C.I.C. has over 6,000 women, local and refugee, spinning wool. The work at the moment is not of a very high standard, but that is inevitable in such a new venture. The spinning wheels are all made by C.I.C. machine and carpenter shops. The carpenters in the Headquarters town make everything from shuttles to coffins. Looms have also been made all over the Northwest for weaving either cotton or wool, or a mixture of both; and workers are being trained to use them. At first a worker can only weave three blankets a day, but with experience they turn out as many as 15 or 20. These blankets must later be washed, shrunk and dyed.

At a place near Paochi the C.I.C. has started to work a mine producing bituminous coal. At present the daily output is only ten tons but they hope to improve their methods of production so that they will be able to produce a hundred tons a day. This mine is not employing refugees, but local people, who are thus being helped out of their backwardness into a new life. Their social center is a most encouraging sight; downstairs in the building the sound of violins can be heard; chess, pingpong and other instructive and recreational games can be played, while upstairs there is a library. This cooperative has made the attendance of literary classes compulsory for members.

There are 375 cooperatives in the whole Northwest of China, with a membership of 4,308, making an average of 12 members for each cooperative. Banks in the Northwest are very willing to lend to the C.I.C. enterprises. Production is gradually increasing and in February the total amount of goods produced were worth N.C.$1,150,482, excluding 100,000 military blankets worth about N.C.$11 each.

Supply and Marketing

The Northwest Headquarters have jointly established a supply and marketing department. Its officers are paid by the cooperatives themselves and not by the C.I.C. Headquarters. When the Headquarters town was bombed recently, a bomb fell also on the back part of this large marketing cooperative, destroying part of the living quarters. But very little was done to the goods stored. Similar luck was also met by a blacksmith's cooperative where all the tools were found in the debris, plus some additional scrap iron which the members immediately seized. They say it will help them to rebuild the smithy in a much better way.

At a recent meeting of cooperators, it was decided to establish a consumers' cooperative. Cooperators and headquarters staff, together or separately, hold frequent meetings to discuss in the most democratic manner future plans for the development of industrial cooperatives.

For several months C.I.C. in the Northwest have been running their own magazine, which is now going to be divided into two publications, one for cooperative members and one for the staff. A young man with considerable journalistic ability is also sending information in English to the Hong Kong Promotion Committee for publicity purposes abroad.

Capital funds are needed and needed badly, especially in the danger zones of southern Shansi, western Hopei, and northwestern Hupeh where Chinese banks are not willing to lend additional funds for actual teaching as well as for publications.

Producing Blankets

The co-ops in and around Chengtu have been concentrating their forces on the production of army blankets. Last summer 1,520 women were trained in spinning and weaving and are now training other women. In Chengtu as well as in the Northwest the urgent appeal is for additional funds for adequate education in cooperative principles. It is hard to realize what it means to women to be brought together in a friendly atmosphere, to be taught to read and write, to sing songs, to play games and to hear the rights of human beings explained to them. These things are entirely new in their lives, and therefore so much more appreciated.

The significance of the Chinese Industrial Cooperatives lies in the fact that they are creating a new atmosphere, and changing the mode of life of many from abject poverty to common, conscious, joyous living.

Bank of Japan Note Issue to be Boosted

The convertible note issue of the Bank of Japan is expected to reach and possibly exceed the Yen. 4,000,000,000 mark by the middle of this year, according to monetary surveys in the Japanese press last week. At the end of March the figure stood at Yen. 3,320,000,000 as compared with the all-time record of Yen. 3,810,000,000 which was attained during the last days of December, 1939.

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Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

April 1

Speaking at the opening ceremony of the 5th session of the People's Political Council in Chungking, Gen. Chiang Kai-shek said that China is receiving increasing foreign aid and will retaliate against the inauguration of the new Nanking regime by ultimately driving all Japanese out of China. Denouncing Wang Ching-wei's rebellion as a disgrace to the whole Chinese nation and the entire course of resistance, Gen. Chiang urged that "we must be firmly determined to carry on our resistance for another three years." The new U.S.$20,000,000 loan to China caused great encouragement to the government and people, he said.

The puppet Nanking regime denounced in a circular issued by Tientsin Chinese who described it as a Japanese trick and Wang Ching-wei an expelled traitor. The Chinese will fight to the bitter end under the leadership of Gen. Chiang Kai-shek, the circular declared.

Y. Suma, Japanese Foreign Office spokesman, told the press that the Nanking "Kuomintang Government" headed by Wang Ching-wei is as independent as the government of "Manchukuo." Commenting on the statement of the U.S. Secretary of State Cordell Hull regarding America's refusal to recognize the Nanking regime, Mr. Suma said that the United States should await developments in East Asia before refusing to do so.

To secure greater control of the International Settlement affairs, the Japanese election committee announced that five Japanese candidates, in stead of the traditional two, will be entered for election to the Shanghai Municipal Council. The Japanese move regarded as a serious municipal issue, for if the Japanese succeed in returning five candidates, they would completely dominate the International Settlement.

The three Soong sisters, Madame Sun Yat-sen, Madame Chiang Kai-shek, and Madame H. H. Kung, arrived jointly at Chungking yesterday by air from Hongkong. This is Madame Sun's first visit to Chungking since the outbreak of the war.

Both Republican and Democratic leaders in congress expressed approval of the declaration by the Secretary of State, Cordell Hull, that the United States would not recognize the Wang Ching-wei government in Nanking, **United Press** reported from Washington. Senator William H. King demanded that the United States sever relations outright with Japan.

Foreign loans contracted by China prior to March 30, 1940 will be paid by the "reorganized National Government" at Nanking, declared puppet finance minister Chou Fu-hai yesterday in announcing an eight-point economic program.

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April 2

Paul Reynaud, French Premier, and Dr. Wellington Koo, Chinese Ambassador to Paris, yesterday conferred on France's Far East policy. Premier Reynaud reportedly decided to follow Washington's policy of non-recognition of the Wang Ching-wei regime in China.

If Generalissimo Chiang Kai-shek reconsiders his anti-Japanese policy and repents, it might be possible that the new "Chinese Government" at Nanking would cooperate with him in the reconstruction of China, said the Japanese premier, Admiral Mitsumasa Yonai.

Closer cooperation between the Kuomintang and the Chinese Communist Party "in order to achieve an anti-Japanese and united national front" urged by **Hsin Hua Jih Pao,** organ of the Communist Party in Chungking.

The U. S. Secretary of State Cordell Hull's statement regarding America's non-recognition policy toward the Wang Ching-wei regime in Nanking banned from publication in Italian press.

President Manuel Quezon issued a proclamation withdrawing the Philippine Commonwealth's recognition of the "Manchukuoan" dollar which was recognized in 1935 by a former acting governor-general of the Philippines.

High tribute to Chinese soldiers paid by an unnamed foreign military expert quoted by **Reuters,** who witnessed the the recapture by the Chinese of Kunlungkwan, strategic pass northeast of Nanning, several months ago. Kunlungkwan regarded as almost impregnable.

The total losses to the Chinese cotton industry since the Sino-Japanese conflict started exceed $100,000,000, the National Economic Research Institute revealed.

Since the beginning of hostilities in China, Catholic Churches throughout the war-torn areas have cared for 782,700 refugees, while Catholic hospitals have given 10,324,000 free treatments to refugees and destitute persons, responsible Catholic missionaries in Chungking said.

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April 3

R. A. Butler, British Under-Secretary of State for Foreign Affairs, announced in the House of Commons that Britain will not recognize the new "Chinese Government" organized in Nanking by Wang Ching-wei. He indicated that Britain will continue to recognize Gen. Chiang Kai-shek's Government at Chungking as the legal Chinese Government.

Heavy Chinese bombers raided the Japanese air base at Yungcheng, Shansi, destroying 35 enemy planes on the airfield, according to official announcement made in Chungking. Japanese munitions and gasoline depots at Yochow, Hunan, also bombed.

Japanese troops were storming the Ssulo sector in southern Kwangsi in an efforts to cut through to the French Indo-China border, Chinese field dispatches reported.

To lessen manipulation of the various markets by war profiteers, the Chinese Bankers' Association in Chungking decided that no loans will be made in the future by Chinese banks to merchants desiring to mortgage commodities required for immediate circulation in free China's markets.

Ending 33 years of consular service in China, Clarence E. Gauss, former American Consul-General in Shanghai and recently appointed first American Minister to Australia, left Shanghai for America.

On behalf of the entire nation, the People's Political Council now in session in Chungking yesterday passed a resolution denouncing the puppet Wang Ching-wei regime in Nanking and demanding the explusion of the Japanese army from Chinese territory. Wang

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Gen. Sheng Shih-tsai, Bordern Defence Commissioner for Sinkiang (Chinese Turkestan), appointed to the concurrent post of Chairman of the province succeeding the late Chairman Li Yung who died recently.

***

April 4

Gen. Sung Cheh-yuen, former Commander-in-Chief of the 29th Army, died at Mienyang, northern Szechwan, at the age of 55. Gen. Sung was the first Chinese commander to offer resistance to Japanese invasion of China in July 1937 when the Lukouchiao Incident occurred near Peiping on July 7. Known as the "hero of Hsifengkou," Gen. Sung won renown for an epic encounter with the Japanese invaders of Jehol Province in 1933.

Reuter, quoting authoritative quarters in Chungking, said that the Chinese Army will have about 12,000,000 troops for a big counter-offensive when an opportune time arrives. At present there are 4,000,000 men under arms and ready for action.

Japanese counter-offensive in west Suiyuan had been repulsed and Chinese forces were now in complete control of that area, asserted Chinese field dispatches.

More than 500,000 wounded Chinese soldiers and officers, not including members of the 8th Route army and the Kwangsi Army, have been cured and returned to the fighting fronts again, the War Ministry announced.

During the past week, six battles were fought between Chinese and Japanese troops in Shansi.

Dr. Quo Tai-chi, Chinese Ambassador to London, in a speech before the English Speaking Union, sharply rebuked the British Ambassador to Japan, Sir Robert Craigie, for his speech in Tokyo on March 27 in which the British envoy described Japan and Britain as striving for the same objectives—"lasing peace and the preservation of our institutions from subversive influences." Dr. Quo said that a Japanese peace is the kind which the Allies would reject in Europe.

Tang Leang-li, editor of the Wang Ching-wei organ **People's Tribune** in Shanghai, challenged the Hull statement and denounced America as a "champion of foreign privilege" in China.

***

April 5

Circular telegrams denouncing the Wang Ching-wei regime in Nanking and pledging loyalty to the National Government at Chungking and determination to continue the war of resistance were issued by China's leading commanders on various war fronts, including Gen. Li Tsung-jen on the Yangtsze front, Gen. Shang Cheng in Central China, Gen. Chang Fah-kwei in South China, Gen. Chen Cheng of Hupeh, and Admiral Shen Hung-lieh of Shantung.

China's wartime financial policy includes strict limitation on the issuance of all legal tender so as to avoid any tendency toward inflation, declared Finance Minister H. H. Kung in an article in the **Economic Gazette**.

Anglo-Japanese negotiations regarding the question of the silver bullion desposited in Chinese banks in the Tientsin British Concession said under way; definite settlement expected shortly.

Criticizing the United States' attitude toward the Wang Ching-wei government in Nanking, the Japanese embassy spokesman at Shanghai said that the Japanese Army's actions in China are "an expression of the sovereign right of self-defence."

Japanese bombers raided (April 3) Sian, capital of Shensi, dropping over 100 bombs and causing a dozen casualties and the destruction of 50 houses.

The official **Hankow Herald** in Chungking bitterly assailed the "weak-kneed policy" and "capitulation" of the British to Japanese threats to dominate the International Settlement of Shanghai.

The **Kokumin Shimbun**, organ of the Japanese Army in Tokyo, warned that Japan must be careful not to become "intoxicated" with the Wang Ching-wei Government just set up in Nanking. Said it was a mistake to think that the installation of the new regime had solved the China incident.

The extraordinary silence of the German press on the occasion of Wang Ching-wei's installation in Nanking caused considerable irritation in official Tokyo; the German attitude viewed as hostile, **Havas** reported from Tokyo.

Japanese Embassy spokesman in Shanghai said that it was unwise for third powers to decide at this time that they will not recognize the Nanking government, thereby binding future actions in this regard.

More 20,700,000 Chinese war refugees are being cared for by national and local relief organizations, said Hsu Shih-ying, Chairman of the National Relief Commission in Chungking.

Who's Who in China

Gen. Lu Han, army officer; born at Chaotung, Yunnan, 1908; received his training at the Yunnan Military Institute, from which he was graduated; entered the army service after completing his training and has since taken a leading part in many revolutionary campaigns, notably the National Defence and National Pacification Campaigns and the Northern Punitive Expedition; since the outbreak of the current Sino-Japanese war, he has been fighting on various fronts; as Commander of the 60th Army and the 10th Army Corps, he participated in the battle of Taierchwang in southern Shantung and the major engagements in eastern Hupeh; later he was transferred to the northern Kiangsi front, where he also achieved considerable success; in recognition of his meritorious services, he was recently promoted Commander-in-Chief of the 1st Group Army, which post he now holds; he is generally regarded as one of the leading youthful commanders in China; address: c/o Yunnan Provincial Government, Kunming, Yunnan.

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Gen. Lu Han

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Men and Events

Rudolf Friml, Czech composer, arrived in Shanghai this week for the purpose of composing a symphony on Shanghai.

*

A son, Andries, was born to Mr. and Mrs. P. F. Le Fevre, at the Country Hospital, Shanghai, on May 1. Mr. Le Fevre is managing director of The Texas Company (China), Ltd.

*

The Japanese Gold Mining Promotion Company, an official organ, has advanced Yen 150,500,000 to gold mining enterprises in recent months, according to the *Nichi-Nichi*.

*

David S. Tait, manager of the Lincoln car section of Ford Motor Company in Japan, passed through Shanghai this week on his way to Manila. Mr. Tait was once connected with *The Japan Advertiser*.

*

Ichiji Kameyama, former director of the political affairs department of the Manchukuo Foreign Affairs Bureau, has been appointed First Secretary of the Japanese Embassy in China.

*

Fred L. Robbins, former manager of Parke, Davis and Company's office in Shanghai, who returned to the United States several months ago, was married on April 3 to Miss Ethel Raymond of Somerville, Mass. They will reside at South Action, Mass.

*

Mr. and Mrs. A. T. Steele of the *Chicago Daily News*, Mr. and Mrs. Clark Lee of the *Associated Press* and Mrs. M. J. Harris, wife of the manager of the *Associated Press* at Shanghai, departed last week on the President Pierce for vacations in the United States.

*

Dr. A. M. Dunlap, American physician, was elected president of the Shanghai Medical Society at the annual meeting of the organization held on Thursday evening, April 25 at the French Club. Dr. D. J. Kasakoff was elected vice-president. The secretary, Dr. I. G. Anderson, and treasurer, Dr. F. D. Nance, will continue in office. The membership of the Society is now 119, largest in its history. Dr. E. G. Gauntlett, retiring president, presided. Papers were read by Dr. I. G. Anderson, Dr. W. G. Pott and Major W. M. Arnott, R. A. M. C.

*

Shanghai was visited this week by the famous 600-pound Kawaba, popularly known in circus circles as the "Wild Gorilla Woman from Africa." Miss Kawaba is being "managed" by Stewart "Eddie" Tait, showman, who calls himself the "Barnum of Borneo." Mr. Tait is taking Miss Kawaba to the United States for a tour. It was claimed that the elephantine Miss Kawaba came from Africa, but it was whispered that she was born in Harlem. Mr. Tait and Miss Kawaba were passengers on the President Pierce.

The first White Russian serving with the Japanese was killed by Chinese guerrillas at Daido, North Manchuria, on April 27. His name was not given in the report. Burial services were held by Russian Moslems at Kalgan.

*

The Chinese National Government at Chungking announced on April 27 the inauguration of through air-mail service between Chungking and Moscow. Previously the service had been confined to passengers only, while the air-mail service had been operated in two sections—Chungking to Hami, Sinkiang, and Alma Ata to Moscow. There had been no connecting service between Hami and Alma Ata.

*

More than 250 Chinese doctors attended the fifth conference of the Chinese Medical Association at a four-day session at Kunming, ending on April 6. The meeting was the first held since the Japanese invasion. Among these attending were 25 women physicians. While several physicians who attended came from Japanese-occupied areas, most of the delegates came from Szechwan, Yunnan and Kweichow provinces. Four French physicians from Hanoi were present as guests of the Association. Governor Lung Yun of Yunnan province entertained the delegates on the last evening of the conference. Much of the discussion pertained to war medicine and war work. According to the report of the meeting published in the *North-China Daily News*, many of the delegates travelled 20 days to attend the meeting.

Laurence A. Steinhardt, U. S. Ambassador to the Soviet Union, departed from Moscow on April 28 on 60-day home leave which he will spend in Washington conferring with President Roosevelt and Secretary Cordell Hull. Mr. Steinhardt will travel home by way of Bucharest, Belgrade and Genoa. Mrs. Steinhardt and their daughter will remain in Moscow.

*

Gen. G. P. Jookoff, one of the oldest former officers in the Imperial Russian Army, died in Shanghai on Monday, April 15. He was born in 1861 in Orenburg province and received his training at the Alexander Military School and with the Neplueff Cadet Corps. He commanded a cavalry brigade in the World War. He is survived by his widow, a son and two daughters. The Orthodox Archbishop Victor at Peiping is a nephew of the late general. Funeral service was held at the Russian Orthodox Mission Church in the French Concession on Wednesday, April 17 and was conducted by Bishop John, Archimandrite Makary, Archimandrite Gabriel, Fr. M. Medvedeff, Fr. Afanasius and Deacon Dimitri. Music was provided by a chorus under the direction of Maestro M. A. Shulekovsky. Flowers were sent by the Union of Cossacks, survivors of the 12th Division, Imperial Order of St. George and former students of the Imperial Alexander Military Academy. Among those who attended the funeral were several generals and other commanders of the Imperial Russian Armies in the World War.

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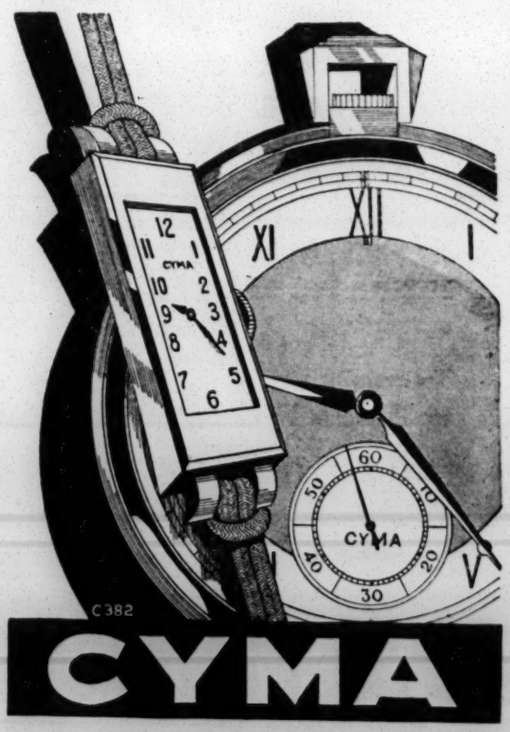


R. G. Howe, Acting Counsellor of Embassy in Peiping in 1934 and Counsellor in 1936, has been appointed British Minister in Riga. He is 46 years of age and since leaving China has served at Copenhagen, Belgrade, Rio de Janeiro and Bucharest.

•

The China Merchants Steam Navigation Company, property of the National Government prior to the invasion and later taken over by the American firm of William Hunt and Company, is planning to resume operation according to reports in the local newspapers on April 27. The report stated that shortage of European shipping in the Far East offered opportunities for the Company to resume operation. The concern is planning, according to the report, to open routes to the South Seas islands and between Hongkong and the Philippines and later will extend to Singapore.

•

Community Church, located in the French Concession, is shortly starting work on a new addition to the present Church building on Ave. Petain. The new building, which will cost US$16,000, will house the Church School and general parish and community activities. The school now has an enrollment of 337 pupils with 40 teachers. The students at present meet in the rooms of the American School due to lack of facilities at the present Church property. The present Church property was erected in 1925. The Committee having charge of the new construction announced that US$7,200 was on hand, leaving US$8,800 to be raised locally and in the United States.

•

The Russian community at Shanghai observed its annual Easter festival for three days beginning at midnight, Saturday, April 27. Shanghai's numerous Russian churches were filled to overflowing, particularly on Saturday night and Sunday, while shops catering to the Russian trade did extensive business in cakes and special foods prepared for the occasion. The Russian community in Shanghai, one of the largest outside the U.S.S.R., always observes Easter with all ancient formalities, including the custom of the Easter kiss in which the men embrace each other and exchange three kisses. The religious services were followed by feasts, which included all of the poorer members of the community.

Mrs. W. Tornroth, proprietor of the Sea Captain's Shop, Shanghai, returned aboard the President Coolidge from a trip of several weeks in the United States. Mrs. Tornroth travelled over various parts of the country and visited friends in Arkansas, Washington, D. C., New York and San Francisco.

•

A Japanese chemist in the employ of the South Manchuria Railway, whose name was not given in the report, has invented high grade synthetic gasoline, according to *Domei* message from Tokyo on April 27. Samples were sent to Tokyo from Dairen for official tests, the dispatch stated.

•

All Germans in Shanghai—excepting some 20,000 emigres living in Hongkew—attended a reception at the German Consulate-General on Wednesday, May 1 in celebration of the German national holiday. The German flag was unfurled at the German center on Great Western Road and various sport festivities were held at the German School.

•

A report in the *Chinese-American Daiy News* on last Sunday stated that the Japanese will shortly organize a Yen 5,000,000 Central China Tobacco Company, which will manufacture cigarettes for sale in Japanese-occupied territory. The company will also distribute cigarettes for factories now being operated by the Japanese Army. These factories were previously owned by private Chinese companies but were seized by the Japanese Army when Shanghai was occupied in 1937.

J. A. Mackay, assistant vice-president of the National City Bank of New York and supervisor of branches in China, is departing

Homeward !

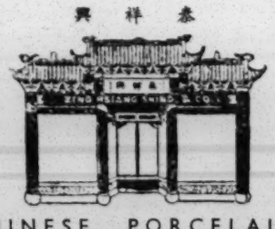
Sapajou

Mr. and Mrs. J. A. Mackay

shortly for the United States on Leave. He will be accompanied by Mrs. Mackay. They were guests of honor at a farewell party given by Mr. and Mrs. E. E. White at their home, 33 Route de Sieyes, on Friday evening, April 26, and another farewell party in their honor was scheduled by J. T. S. Reed, also of the Bank, at the Cathay Hotel, Friday evening, May 3.

•

Lieut.-Commander H. E. Overesch, American Naval Attache in China, who has been stationed in Peiping for several months, arrived in Shanghai this week on his way to the United States where he will receive a new assignment. He was accompanied by Mrs. Overesch and their daughter.



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Queen Elizabeth of England, on April 27, inspected several tons of Red Cross gifts which had been donated by Americans for the service of British and Norwegian civilian Red Cross needs. The Queen said she was deeply touched by the generosity and kindness of the donors. The gifts had been shipped from New York to the British Personal Service League and were stored in Dudley House, London. The materials consisted of clothing, hospital materials, babies' garments and surgical instruments.

•

An Institute of High Social and Juridical Studies in the Far East is shortly to be established in Hanoi, French Indo-China, according to *Havas* message from Paris on April 27. The proposal was submitted to President Albert Lebrun by M. Georges Mandel, Minister for Colonies, and was expected to receive the President's signature immediately. The French University of Indo-China was established in 1931 and includes Faculties of Law and Medicine The new Institute will be under the direct supervision of the Paris Faculty of Law and will specialize in laws and institutions of Asiatic countries.

•

V. F. Meisling, police reporter on the staff of the *North-China Daily News*, who recently resigned, was guest of honor at a reception at the Shanghai Police Club on April 28. H. D. M. Robertson, deputy-commissioner, presented Mr. Meisling with an attractive silver cigarette box containing the Police crest. Mr. Robertson also spoke highly of Mr. Meisling's ability and service in covering crime in Shanghai. In responding Mr. Meisling expressed regret at leaving Shanghai. He will become correspondent for *United Press* in Peiping.

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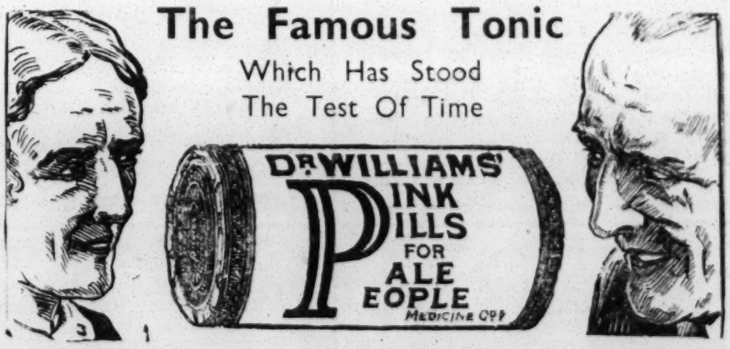

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New Books of Interest in the Far East

Regional History

BEYOND THE SHINING MOUNTAINS—By Dorothy Fay Gould. Binfords and Mort, Portland, Oregon. 1938. 206 pages. Price, U.S.$2.25.

WINNING OREGON—A Study of an Expansionist Movement. By Melvin Clay Jacobs. The Caxton Printers, Ltd., Caldwell, Idaho. 1938. 242 pages, bibliography, index. Price, U.S.$3.00.

The Shining Mountains—Indian name for the Rockies of which Miss Gould writes—were the great land barrier of an earlier day over which the great Northwest was reached. Robert Rogers, famed leader of Rogers' Rangers of whom Kenneth Roberts wrote so interestingly in his best-selling novel *Northwest Passage*, had good knowledge of this territory as early as 1765 and his information was embodied in Jonathan Carver's map of North America published in 1778; the map, incidentally, in which the word Oregon first appears, though no one knows whether it is an Indian word or not. Over these mountains went Lewis and Clark, despatched by President Jefferson in 1805. Suggestive even of the Ten Thousand Greeks under Xenophon, when they came to the Black Sea, is the first sight of the Pacific recorded by Captain Clark, whose education in the great outdoors is the envy of every schoolboy but whose success at a spelling bee would have been short: "Ocian in view! O! the joy." "Great joy in camp, we are in view of the *octian*. this great Pacific Octian, which we have been so long anxious to see, and the *roreing* noise of the waves *brakeing* on the rocky shores may be heard distinctly."

Francis Drake was the first white man to reach the Northwest Coast by sea, in 1578, and he gave it the name Nova Albion which appears in Carver's map two hundred years later. Captain Cook in 1778 discovered Nootka Sound which became the most famous harbor north of San Francisco. It was an American, Lieutenant Gore, who took Captain Cook's ships safely home after Cook was killed on the island of Hawaii. Sailors and traders learned that sea-otter skins commanded high prices at Canton—and why not, for as a captain put it, "next to a beautiful woman and a lovely infant a prime sea-otter skin, two feet by five feet, with its glossy black fur, was the finest natural object in the world."

It remained for Captain Vancouver in 1792 to discover Puget Sound, which he named for a friend, as he named also Mount Rainier and Mount Baker and many another spot in the Northwest. (The reviewer always recalls Vancouver kindly for the fact that he sailed to Hawaii with a cargo of horses, cows, pigs and goats, the first introduction of those animals to the islands.) But it was the American, Captain Gray, who discovered the Colombia Rover. Gray's log-book would have been a valuable historical record had not his niece afterwards used the better part of it for waste paper.

Miss Gould's book is full of interesting episodes, from the early days up to the gold boom in Alaska. It is simply and well told in short chapters, and illustrated delightfully with reproductions of old prints and maps.

The land and climate of the Northwest, said an investigator a hundred years ago, were "better than Kentucky," but though the land cost but little the millenium would come before people would settle there. Settle they did, however, and that right soon. It is this movement of the American population into the Northwest that is the theme of *Winning Oregon*, by Melvin Clay Jacobs, a scholarly monograph, not so lively as Miss Gould's book, nor illustrated even with a map. But it tells of the fur traders and pioneers, of Congressional interest in Oregon, and of the diplomacy whereby the United States and Great Britain settled their rival claims to Oregon. The advantage lay with the Americans, for there were far more of them settled in the Northwest, even though few were north of the Columbia River, whereas the British were a mere handful. And so it was that in the end the British gave up their claim to the Columbia boundary and accepted the 49th parallel, defining the boundary that remains today.

D. R.

The American Empire

COMMERCE AND ECONOMIC RESOURCES OF OUR OUTLYING TERRITORIES AND POSSESSIONS—Published by the Chamber of Commerce of the U.S., 1939. 50 pages, paper.

THE PHILIPPINES—Published by the National Information Office, Department of the Interior, Manila, 1939. 111 pages, paper.

The first of these two pamphlets shows in a very concrete fashion the "empire" which has grown up along with the development of the United State. During the past quarter-century the outlying territories and possessions of the United States have taken on greatly increased economic and military significance. At the present time most of these areas come within the jurisdiction of the Department of the Interior: Alaska, Hawaii, Puerto Rico, Virgin Islands, the Philippines and various South Sea Islands. The Panama Canal Zone is under the jurisdiction of the War

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VOLUME THREE

Covers the period of Sino-Japanese hostilities on all fronts from July 8, 1938 to December 31, 1938. In addition, there is a day-to-day record of the dramatic clash on the Korean border between the forces of Imperial Japan and the Soviet Union, July 15 to August 12, 1938.

VOLUME FOUR

The fourth of the series completes two full years of Sino-Japanese hostilities. It covers the period from January 1, 1939 to July 6, 1939 and contains full details of Wang Ching-wei's desertion of the national government and affiliation with the Japanese army at Shanghai.

Vol. Five, now on the press, will cover the war period from July 1, 1939 to December 31, 1939.

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Department. Guam, American Samoa, Midway and Wake Islands are under the Navy Department. Detailed statistical tables show the resources and trade of the different territories as well as the essential facts about each. This book may be considered a semi-official document, published as it is by the Chamber of Commerce of the United States with the assistance of government agencies.

The booklet on the Philippines, published by their own Information Office under the Department of the Interior, gives the geography and history of the islands before taking up such subjects as government, national defense, commerce, finance, communications and transport. The section on Manila may serve as a guide to places of interest in the city. It is interesting to see the following statement regarding the University of Santo Tomas founded by Dominican friars in 1611: "the oldest university under the American flag." There are a dozen full-page photographs, the most striking of which is an excellent one of the Ifugao Rice Terraces, those marvels of primitive agricultural engineering in the mountain provinces of northern Luzon.

F. M. R.

Sovietized Poles Said Sent Out to Siberia

Polish inhabitants of the Soviet-occupied section of Poland are being transported to Siberia and the territory re-peopled with Far Eastern provincials from Mongolia, the emigre Polish Government press bureau in Paris announced on April 27, according to *United Press*. No reason was assigned for the exchange of populations.

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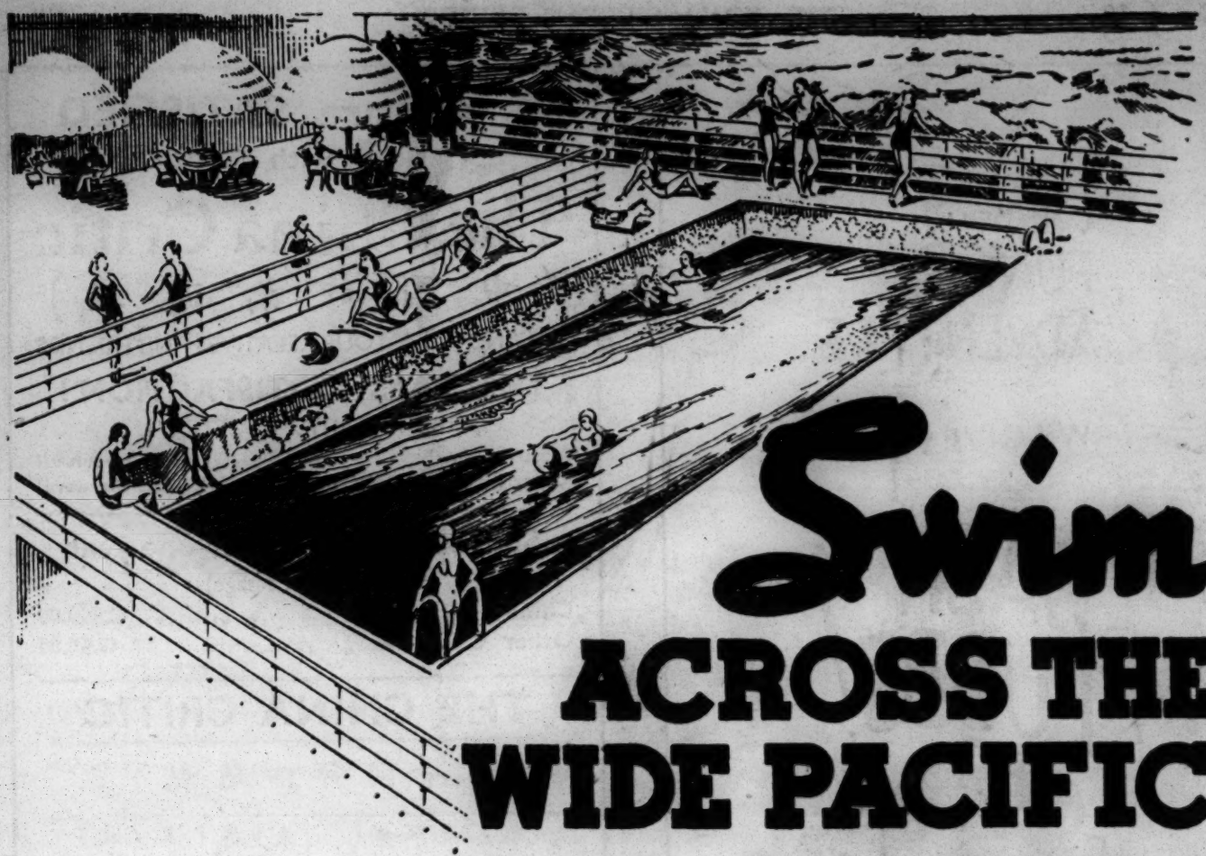

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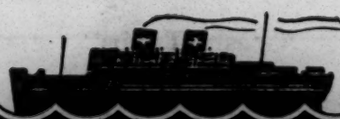

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